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The WORLD'S MARKETS

From the Point of View of
American Exporters

By
EDWARD NEVILLE VOSE
Editor, Dun's International Review

Being the Second
Unit of a [Course
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Edward Ewing Pratt]

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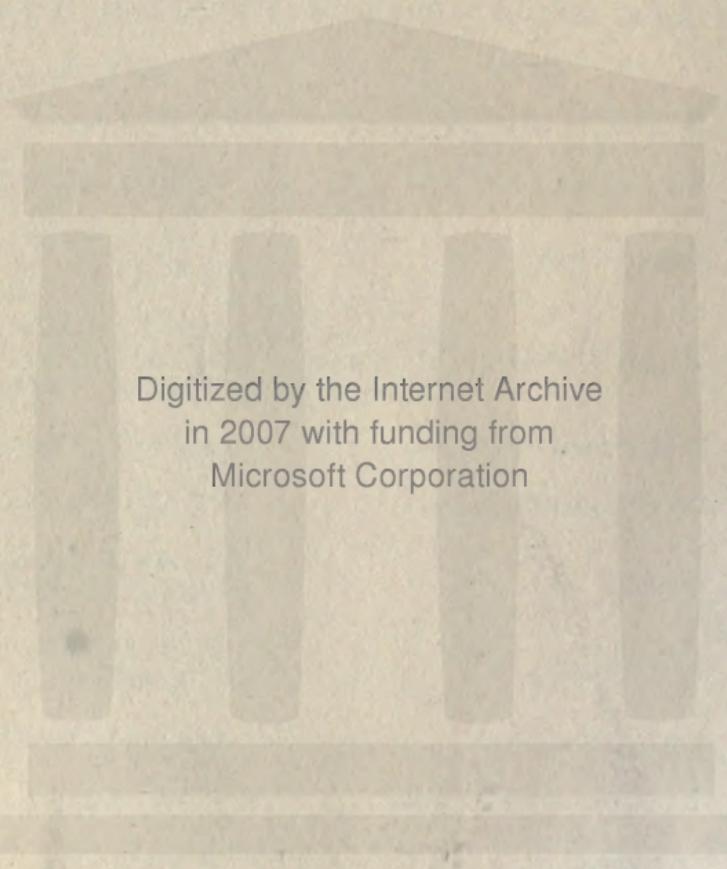
Course in Foreign Trade

Edward Ewing Pratt - - - *Director*
Edward Leonard Bächer - *Secretary*

The text of the course is issued in twelve units as follows:

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Beyond the Narrows

AMERICAN trade is no longer national; it is truly international.

In 1913 our exports were \$2,500,000,000; in 1915 a round billion more. True, this sudden increase was largely due to temporary demands of the warring nations. Nevertheless, it has brought us—all of us—into closer touch with world trade and world markets.

We have waked up to find our goods moving into the hands of new customers across all the Seven Seas.

Who are these new customers? What are their habits of trade? What products do they need? How shall we reach them?

All these questions have taken on a new meaning and interest in American business life.

I

The Manufacturer Must Know His Markets

THE principles of domestic and export trade are basically the same. A manufacturer located, let us say, in Chicago wishes to enter the New York market. He must first make sure that there is an existing demand for his goods in New York, or that he can create a demand. He must understand how to get his goods to New York and how to sell them there to the best advantage. If he wishes to enter a South American market, essentially the same information is necessary. The chief difference comes in the fact that in the first case he usually knows from personal observation the requirements of the market; and in the second case he must acquire his knowledge as the result of careful study.

Many different factors must be taken into consideration in the study of foreign markets.

What a country produces and sells has a bearing on how much it can buy; hence a comparative study of exports and imports is valuable.

Studying the Foreign Field

The degree of civilization, the occupations, the habits and wants of the people, besides the kinds and prices of the goods they are accustomed to buy are matters that merit consideration.

The adequacy of transportation and banking facilities—the stability of the government—the conditions of competition—the “strategic” trade centers at which to establish agencies or branches—these are all features which must be carefully studied.

In this Unit it has been the aim to cover these points concisely. More especially it has been the author's purpose to give a vivid comparative review of the chief markets and their general characteristics, avoiding tedious fulness of details. The enforced brevity of treatment will perhaps prove an advantage rather than a drawback, in that it should leave in the reader's mind a clear-cut picture of the essential features of each of the great foreign markets.

The list of suggested reading contains further references which will enable the student of the subject to make an exhaustive analysis of any particular market.

The manufacturer or export merchant can narrow his view-point and study each country primarily as a *buying* market, as a prospective purchaser of the goods the manufacturer makes or the merchant has to sell. For the majority of those engaged in international trade this aspect of the world's markets is the most interesting and important because, as a rule, the seller has to seek the buyer,

study his needs and tastes, and win his custom if he can. It is only in the case of the great staples of world trade, such as cotton and other raw materials for manufacturers, wheat and other foodstuffs, that the buyer frequently seeks the seller.

A great deal of money is wasted every year in export campaigns that fail chiefly because many of the firms making their first effort to secure foreign trade neglect to study the various markets carefully. In such a study, or preliminary investigation, there are several factors that merit consideration. Of these, one of the first in importance to sellers in many lines is climate. If the climate in a given market is like our own—and, fortunately, the best buying markets in the world are in the two temperate zones—it means that in such important lines as food and clothing whatever is sold here *might* be sold there. In this connection it must be remembered that altitude affects the temperature by about 3 degrees for every 1,000 feet. Many centers of population in tropical countries are on the higher altitudes.

Another factor of the utmost significance is the occupation of the people, for on this depends the nature of their requirements in the way of machinery, tools and raw materials.

*Factors to Consider
in Each Market*

The degree of civilization attained by the mass of the population is also important. A pastoral district in New Zealand, where the civilization is as high as our own, affords a market for all the luxuries and refinements of modern life—pianos, phonographs, automobiles, motor boats, and so on through the long list. A pastoral district in Abyssinia, however, would buy little save cotton cloth and a few simple tools and utensils.

Government is another factor that merits attention. If the government of a country is wise and efficient, trade will prosper; if the reverse, it will languish. The recent history of Mexico affords a striking example. Occasionally the practical business man will find it useful to be reminded of a little history in connection with certain markets. In no other way can he clearly understand the intense industrialism of Belgium, the commercialism of the Netherlands, or the reasons why certain cities have become dominant factors in world trade, while others—often more favorably situated—are unimportant.

It is desirable for those who are studying export markets to have a general knowledge of each country's interior transportation system and its location with respect to the great routes of world trade. If a nation's railway and waterway systems are highly developed,

its ports well equipped and situated close to the leading ocean highways, international transactions can be conducted with the certainty and dispatch of a railway time-table. If its inland transportation system is primitive, its ports mere anchorages where goods have to be lightered ashore, and it is remote from the principal steamship lines, the man who desires to conduct business with its merchants in an intelligent manner should take note of these facts, and plan his deliveries and date his drafts accordingly.

There are many routes over which trade between the different nations of the world finds its way, but both on land and sea traffic is largely inclined to follow certain trunk lines as far as possible. It will greatly simplify the study of the world's markets if each is considered with reference to the trunk line route to which it is nearest.

Similarly, there are innumerable cities in the world of very considerable population and local importance. To learn how to spell, much less to pronounce, the names of all of these would be a formidable task. To memorize all of them would be well-nigh impossible. Fortunately, the practical business man need not concern himself with so many names. In each country there is usually one city that

*Trade Routes
and Trade Centers*

outranks all the others in commercial and industrial importance; there are seldom more than three or four of international interest. In the markets nearest to the United States more minor distributing points merit attention than in those that are farther away, or in which the trade is likely to be relatively small.

If these cities are studied carefully, it will be perceived that they occupy, with respect to the region surrounding them, so dominating a position that they may properly be called *strategic trade centers*. To the manufacturer or merchant who is contemplating the conquest of the markets in which they are situated, they afford the logical points at which to establish the first selling or distributing branches or agencies. In the vast majority of cases the cultivation of these strategic centers will suffice for the entire export campaign.

In studying the countries of the world as buying markets, they should be grouped into commercial, rather than political, divisions.

*Commercial vs.
Political Classifications*

For example, Northern Russia, being served by the North Atlantic route, has been placed in the same commercial group as Germany. Southern Russia, however, being most accessible by way of the Mediterranean, may be classed with France, Italy and the other Mediterranean countries.

These divisions, it will be seen, are arranged, in most cases, according to established trade routes. In some instances, however, arbitrary grouping has been necessary.

It has been found advisable, all things considered, to follow the plan of classification outlined below:

- I. *Northwestern Europe*, comprising the United Kingdom, the Low Countries and Switzerland.
- II. *Northeastern Europe*, comprising Germany, Austria-Hungary, the Scandinavian Countries, and Northern and Central Russia.
- III. *The Mediterranean Region*, comprising France, Spain, Portugal, Italy, Greece, the Balkan States, European and Asiatic Turkey, Southern Russia, Egypt and Northern Africa.
- IV. *Asia*, comprising China and Manchuria, Japan, Chosen (Korea), Formosa, India, Ceylon, Straits Settlements, Malay States, the Dutch East Indies, and all the other countries on the Continent except Asiatic Turkey.

- V. *Australasia*, comprising Australia, New Zealand and the South Pacific Islands.
- VI. *Africa*, except for the Mediterranean countries.
- VII. *North and Central America*, comprising Canada, Newfoundland, Mexico and Central America.
- VIII. *The Caribbean Region*, comprising Cuba, Haiti, the Dominican Republic, Bermuda and the British French, Dutch and Danish West Indies.
- IX. *South America*, comprising all the countries of the South American continent.

Conditions affecting the direction of the currents of world trade, and the volume of its movement in different lines, are never twice the same. New uses are constantly being found for staple commercial products; new products of importance are occasionally discovered or produced; old products are now and then displaced and lose their commercial value. Similarly, new producing regions for many of the world's greatest staples are occasionally developed and new markets are being found for them.

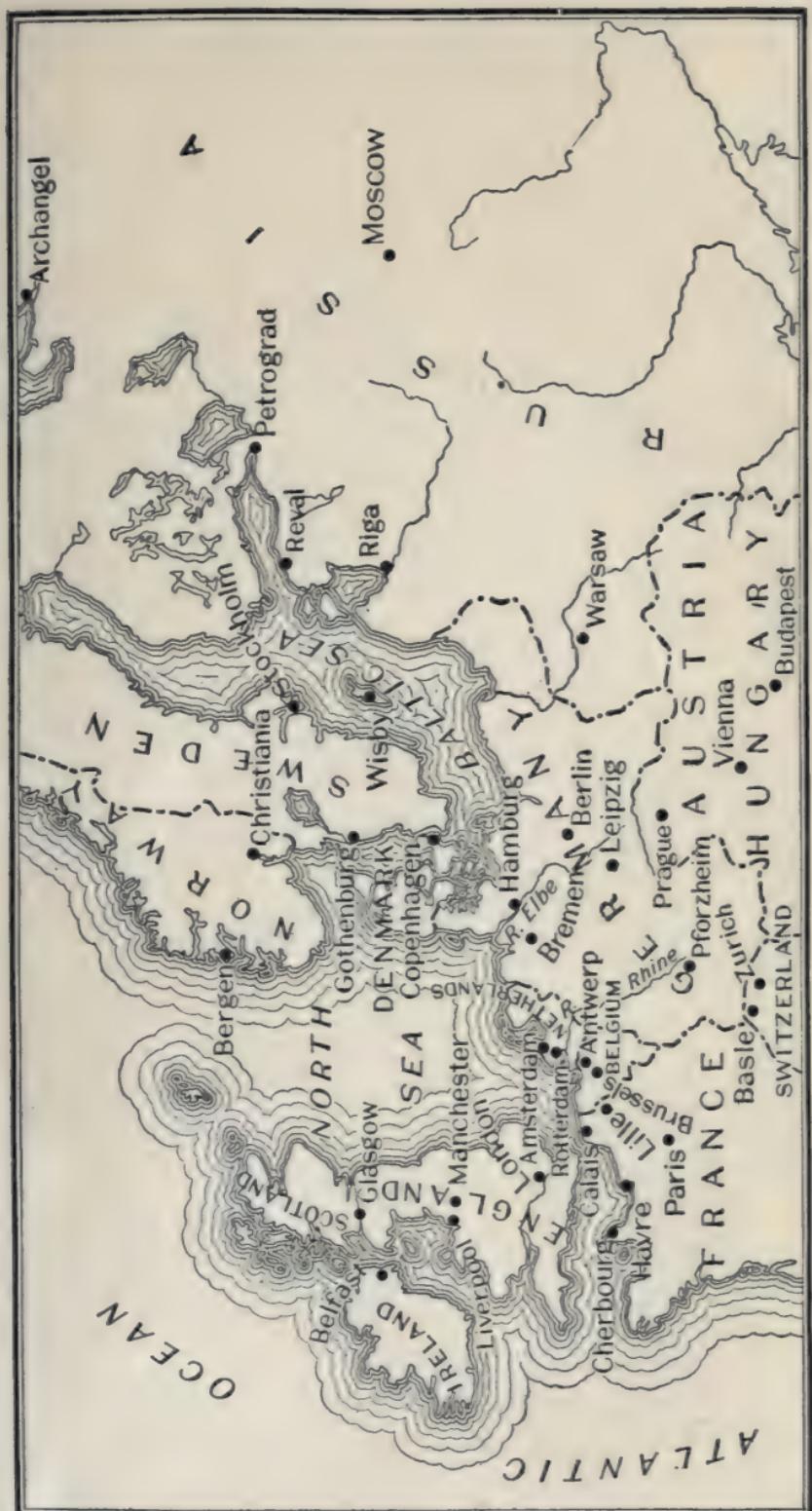
In practically every country within the temperate zones manufacturing is on the increase, resulting in numerous modifications of the international movement of manufactured articles and of manufacturers' materials. A new railway opens to commerce extensive regions previously inaccessible, or with which the outside world could only do business with difficulty. New commercial routes by land or sea often profoundly modify, not only the currents of trade, but the relative importance and prosperity of great cities, and sometimes of entire countries. Great advances were being made, until interrupted by the European war, in the commercial and industrial growth of the whole world. This development will probably be resumed after the war.

To the man of affairs a study of foreign market conditions is essential to the success of any plan for the expansion of his business. To the young man engaged in export work, or who expects to engage in it, a knowledge of the world's markets is a necessary groundwork for advancement. To everyone interested in the general export situation, the subject is one of never-ending interest.

II

The Markets of Northwestern Europe

FROM the standpoint of the practical business man the most convenient order in which to study the world's markets is not primarily by continents, but in their relation to the great ocean routes of modern commerce. Thus, some of the most important countries in Europe have their principal maritime gateways on the north, while others face largely or wholly toward the south. The most important ocean route in the world is the steamship lane across the North Atlantic. Starting from a score of ports in the Gulf of Mexico and along the eastern coast of the United States and Canada, its lines unite into a single sheaf (like a twenty-track railroad) across the Atlantic, and then disperse to a score of different ports at the other end—from Liverpool on the Irish Sea and Plymouth at the western end of the English Channel to Stockholm, Riga and Petrograd on the Baltic, and Archangel on the White Sea. As nearly a dozen important markets are reached by this route to northern Europe, it will be convenient to consider them in two groups, beginning with those of northwestern Europe—but



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THE STRATEGIC TRADE CENTERS OF NORTHERN EUROPE

The location of the cities mentioned in Chapters II and III is here indicated. The text tells why each is of interest to the student of international commerce.

omitting France for reasons that will be explained in Chapter IV.

The United Kingdom—The Greatest of All Buying Markets

The United Kingdom is the greatest and most stable buying market in the world, not only for the exporters of the United States, but for those of many other countries as well. The introduction of machinery, which England was quicker to adopt than the industrial nations of the continent, and the invention of the steam engine—of which her coal fields and iron deposits enabled her to take advantage—made England during the first half of the nineteenth century the foremost manufacturing nation in the world. Population so far outran the capacity of the available agricultural lands that at present, if food supplies from overseas failed, the normal reserve on hand would not last for a month. The steady development of the British colonial empire and the skilful manner in which British capitalists have invested vast sums abroad are two factors that have also contributed to the volume of imports into the United Kingdom.

A few years ago a Belgian friend of the writer visited Sheffield. Having heard much about the famous cutlery of England he determined to purchase a penknife as a sou-

venir of his visit. The salesman showed him several, but he felt that, while he was about it,

he might as well secure the best to be had. He accordingly asked if they had nothing better. At this the clerk produced another

line and spread it on the counter saying: "These are the finest made in the world, sir, they come from Belgium."

In the same spirit of fair play American machinery is recognized in England as the best to be had in a score of lines. On Victoria Street in London are the offices of many well-known American machinery manufacturers and distributors. One of the latter, Charles Churchill & Co., recently celebrated the fiftieth anniversary of its establishment. The bicycle craze of twenty-five years ago caused the introduction of American automatic tools into England—the trade in which has greatly increased due to the rapid expansion of the motor car industry. American lathes, and especially turret lathes, are sold in every manufacturing center. In Sheffield itself the makers of English tools now use American machinery in their plants. American manufacturers of presses and typesetting machines have established their own factories in England. Many of the leading daily papers in London and throughout the prov-

Some Notable Examples of American Success

inches have presses made by R. Hoe & Co.'s London branch and linotype machines made at the Linotype Company's plant at Manchester. The electric motors that drive these machines came largely from the United States, or were made in the English factories of the great American companies in that line. One of these factories, the Westinghouse plant at Trafford Park, near Manchester, was the wonder of the country when it was built. It is said that half of the motors used on the electric tram lines of the country are of American design, while practically all of the telephone instruments in use are supplied by the Western Electric Company.

In the field of typewriters, roll-top desks and many office appliances and supplies, American competition has proved too strong for domestic concerns—a situation that also obtains in the photographic field. The Eastman Company has been in business in England for over thirty years and occupies the same position in the camera and film trade there that it does in this country.

About 1895 an enterprising American came to Liverpool and started a match factory in opposition to the then all-powerful firm of Bryant & May. In less than five years he had made the competition so keen that the older concern was glad to make an arrangement

whereby its plant passed virtually under the control of its younger rival. Mr. Barber, the president of the American & Liverpool Diamond Match Company, frankly told the shareholders of Bryant & May that their machinery had all been invented by employees of the Diamond Match Company of America, but had been discarded fifteen years before. Near the close of the last century two Americans undertook to push the sale of the Encyclopædia Britannica, which at that time was practically dead, selling scarcely more than a hundred sets a year. They inaugurated the *London Times* selling campaign and made more than a million dollars for themselves in the first five years. Since then the sale has been made world-wide and is still going on.

The Bissell carpet sweeper made a remarkable sales record in the British market when it was first introduced, and still sells very well. In footwear American manufacturers have achieved another success, and have built up a large and enduring trade—notwithstanding the fact that the majority of the English shops are now equipped with American-made shoe machinery. The American ready-to-wear shirtwaist for women took the British market by storm some fifteen years ago, but styles for the fair sex change so that the success of one year in this line does not insure an equal

victory the next. Some five or six years ago Messrs. Cluett, Peabody & Co. inaugurated an advertising campaign for their collars and shirts that took the conservative English manufacturers' breath away, but sold the goods. Similar stories of success could be told of the Gillette safety razor, Williams' shaving soap, the Ingersoll watch, Quaker oats and many specially prepared foodstuffs and canned goods. It would be tedious to recite them all, but considerable space has been given to these examples of American enterprise in the British market because many manufacturers entirely overlook the opportunities in this field. They take it for granted that their products cannot compete with those of European manufacturers. A score of instances could be given of American firms that have offered their wares in the very cities where competing goods were made—and have won out.

In normal times the United Kingdom buys American merchandise of all kinds—raw materials like cotton, foodstuffs, and manufactured goods—to the value of practically \$600,000,000 per annum, or nearly \$2,000,000 per working day. This is a fourth of our entire export trade, and more than two-fifths of our total exports to Europe. It equals our exports to the continent of North America, including Central America and the islands of the

Caribbean. It is more than four times our exports to all of South America, over five times those to Asia, almost eight times those to Australasia and Oceania, and twenty times those to the continent of Africa. (These comparisons are for the year 1913. The proportion is far higher now but is abnormal. 1913 is a fairly typical year.)



The United Kingdom is Uncle Sam's biggest customer

If, as a consequence of the war, the British Government should impose a prohibitive tariff on all lines that could be produced or

made at home the result would be an economic disaster for American manufacturers equal to the complete loss of the trade of Asia, Africa and South America combined. No one can at present foresee the economic effects of the titanic struggle, but the supposition aptly illustrates the value of this seldom-talked-about market.

The strategic trade center of the United Kingdom—and, in normal times, of the entire commercial world—is London. For more than a century London has been the financial center of all international trade, with the pound sterling as the universal medium of exchange. As

one walks through the crowded streets of the inner "City," or rides about on the top of a bus, the very names of the companies whose stately offices line both sides of the way in seemingly endless array indicate the vast range of London's activities overseas.

*London the Greatest
Trade Center
in the World*

There are the head offices of railroad companies in Argentina, in Brazil—in a hundred countries; mining companies in Peru, in Australia, in South Africa—in every corner of the globe where the earth yields its hidden treasures at the touch of capital's magic wand. There are rubber companies, sugar companies and plantation companies engaged in raising a hundred of the world's agricultural staples in literally thousands of localities. There are development companies engaged in doing anything and everything, from digging for oil in Trinidad to surveying for a railroad in Burma. And there are steamship companies whose vessels plow every sea.

To appreciate fully the position occupied by London as an entrepôt for the trade of the United Kingdom, it is necessary to leave the "City" and travel down the River Thames. Great docks, big freight steamers and towering sailing vessels meet the eye in majestic procession as one passes by. Forests of masts and smokestacks rise on every side, while the

water is crowded with clumsy barges and lighters and the shore closely lined with warehouses, shipyards, and a thousand trades and industries that depend upon the sea.

Many of the warehouses would well repay a day's inspection by themselves. For example, there is the old Crutched Friars' warehouse where cigars, fine tobacco, drugs, vanilla and sponges, among other things, are stored. At the Cutler Street warehouse one finds teas, oriental carpets and rugs, silks and porcelains from China and Japan, ostrich feathers and bird skins. In normal times there are six great ostrich feather sales each year, the December sale alone usually disposing of upwards of 60,000 pounds. At several points there are huge wool warehouses, and the London wool sales fix the world's prices of that commodity.

London, then, is naturally the strategic center of operations for American manufacturers in the British field. While there are some eighty cities in the United Kingdom with populations of over 50,000, for most American concerns a branch office or agency at London is sufficient to cover the entire country. Railway facilities are complete, trains are frequent and rapid, and distances are short.

Glasgow, the second city in the United Kingdom in population, and the commercial

metropolis of Scotland, is the best center for sub-offices to cover that part of Great Britain for lines requiring more than one distributing branch. An automobile concern, for example, if likely to develop a large trade, should have a branch at Glasgow. Steamers run direct from New York to Glasgow, while the city is the center of the great Scottish coal fields and of the Clyde shipbuilding and other metal-working industries.

*Other Strategic
Trade Centers*

Belfast is generally selected as the center for those who desire a local branch in Ireland, as its maritime and industrial activities and its commercial resources are greater than those of the capital, Dublin, which is more of an administrative city.

The most important center among the industrial cities is Manchester—which has also become a port since the completion of its ship canal. Manchester is the greatest market and distributing center for textile goods in the world. Its cotton goods, especially, outsell those of all other nations combined in nearly every non-manufacturing market in the world. Curiously enough, there are very few mills in the city itself; they are located in a score of cities each of which specializes in a certain class of goods—one making worsteds, another broadcloth, and so on.

The Low Countries

From the time of Cæsar the people of Europe have called Belgium and the Netherlands "the Low Countries," and during a very considerable part of their intensely interesting history the two nations have been united politically. Geographically, they resemble one another in many ways, each having the same low-lying plain along the northern, or seaward, side, rising by almost imperceptible gradations toward the interior; the same intensive cultivation; the same intricate system of canals and canalized rivers. Commercially, both are primarily gateway countries—their chief ports being maritime approaches for regions extending far beyond their own frontiers.

The Industries and Commerce of Belgium

The great war has had at least one good result—it has made Belgium known to the rest of the world. Industrially, its people have long been termed "the Yankees of Europe" for their inventiveness and many-sided activities. Across the center of the country, midway between the historic forested highlands of the Ardennes and the far more famous lowlands of Flanders, stretches a rich coal belt. Here is the "Black Country" of Belgium—its region of steel plants, of glass

works and of a variety of metal-using industries depending on steel, copper and zinc.

Each of the larger cities is the center of a large industrial district, one little manufacturing or mining town following another so closely that the stone paved streets are continuous for miles. In the main, Belgium is a land of small factories; there are thousands of manufacturing concerns employing from a dozen to a few hundred work-people. Here and there, on the other hand, one encounters a town built around a single huge plant. At Seraing, for example, the Société John Cockerill employs over 10,000 men in its mines, steelworks, locomotive and machinery shops.

In the north and east the textile industries are the most important. Belgium has been a maker of textiles for nearly a thousand years, and in the thirteenth century Ypres—made famous by the war, but only a tiny city before its destruction—was a bigger city than London. Its weavers then operated 4,000 looms for the manufacture of woolen cloth, its guilds (or associations of workmen) numbered some 400, and its population was 200,000. For nearly four centuries Flanders was the great manufacturing nation of Europe. Today there are still many woolen and a few cotton mills, while a number of mills spin linen thread from the flax that grows along the

River Lys. About 50,000 women are engaged in making fine hand-made lace.

Belgium is pre-eminently noted as a producer of artistic things—fine glassware and porcelains, bronze and copper ware, tapestries, fine carpets, jewelry, gold and silver ornaments—a thousand lines in which beauty of design and elegance of execution form elements of value. From one end to the other in normal times the land is a bee-hive of industry—there are no idlers.

For its population, Belgium produces more, and exports and imports more, than any other country. Imports are normally heavier than exports. The country depends absolutely upon its export trade, from 30 to 90 per cent. of its chief industrial products being exported. That is why it was reduced to utter poverty so quickly by the war; this trade being entirely stopped. In scores of far-off countries Belgium ranks from fourth to seventh among the nations supplying their manufactured requirements, and nearly everywhere it is among the first ten—a most remarkable showing when one considers its small area and population.

In the import trade it is sufficient to say that Belgium buys all the products required by a highly civilized and highly organized community. After the war its needs will be

tremendous for rebuilding and re-equipping its railroads, restoring its industries and refurnishing its supplies in a thousand lines.

Prior to the war American firms had not made a concerted effort to capture a large share of the Belgian market. Heinz's 57 varieties were advertised along the railway lines; the National Cash Register Co. was fast winning the trade of the retail merchants; some American street railway equipment was in use; the Western Electric Company had a factory at Antwerp and supplied most of the requirements of the State-owned telephone system; and Singer sewing machines had been sold in every hamlet of the country for almost half a century. On the farms American mowers and reapers were widely used. American typewriters and a few other lines of American goods were well regarded. In scores of other lines, on the other hand, American wares were practically unknown. In plumbing supplies, for example, all of the goods used were imported, chiefly from England, but none came from the United States.

Two cities merit mention as trade centers. Antwerp, the chief port of the country, was before the war the favorite point for the location of German trading houses. The city is the center of transportation lines, by railway and canal, that radiate outward from it like the

*Belgium's
Strategic
Trade Centers*

arms of a fan. More than seventy lines of steamers make it their chief port during normal times, while upward of thirty more call to take on and discharge part of their cargo. It is a distributing point for merchandise going inland, not only to every part of Belgium, but to western Germany, Austria and Switzerland. This transit trade amounts to over \$400,000,000 annually. Hence for shippers of heavy merchandise, like lumber, grain, meat products or petroleum, Antwerp is the most convenient point for handling the trade, not only of Belgium, but of the entire region just mentioned.

For lighter goods, however, and especially for manufactured products requiring an elaborate selling or distributing organization, Brussels is the best center. There the prevailing language is French, although Flemish is spoken in some quarters of the city. It is centrally situated, with railway lines in every direction, and is the national capital and the metropolis and social center of the country. Every Wednesday the bourse is open and business men flock to the city from all over the country. The almost incredibly low price at which *billets d'abonnement*, or season tickets, are sold by the state-owned railways enables commercial travelers to cover the entire

country from Brussels at small expense. The fact that there is already an Anglo-American Chamber of Commerce at Brussels shows that the number of American business houses having branches or representatives there is considerable, and after the war it will be much greater. For the average concern a single branch at Brussels—or at Antwerp if the line be one requiring extensive storage facilities close to the docks—is enough for all Belgium, since a ride of two hours or so will carry one to the farthest large city.

The Industries and Import Trade of the Netherlands

In order to appreciate fully the importance of the Netherlands as a world market it is necessary to recall the fact that in the seventeenth century the Dutch were the greatest maritime people in the world, their merchant ships plowing every then-known sea. That period of Dutch ascendancy in world trade also witnessed the establishment of important colonies in both the eastern and western hemispheres. Most of the latter have since been lost, but the former importance of the Dutch East India and West India Companies, and the wealth of the merchants and shipowners of those days, account for the fact that at present nearly one-sixth of the industrial

population of the country gains its livelihood by the sea, while several of its most important manufacturing industries are directly due to the fact that its ports are distributing centers for many of the products of the Far East.

About one-third of the population is engaged in agriculture, the farms in the most intensely cultivated section being largely below sea level. The country is famous for its fine cattle and exports great quantities of dairy products, particularly cheese, which is sold all over the world. The manufacture of cocoa and chocolate is one of the important industries of the country. Another notable industry is the diamond-cutting trade at Amsterdam, in which over 9,000 workmen are employed. Amsterdam specializes in large stones, while Antwerp handles a larger proportion of the small ones. The art of pottery has been practiced in the Netherlands for nearly 2,000 years, and still accounts for a considerable share of the country's export trade, the products of the factories at Maastricht and Delft being world famous. The manufacture of gin, or Holland "schnapps," is another ancient industry with a considerable export trade.

In its import trade the Netherlands constitutes a market of the first rank—its requirements being practically unlimited in their diversity. It is becoming more and more of a

manufacturing country, and its industrial plants are built and equipped along thoroughly modern lines. There is, therefore, a good market for American machinery. In other lines American manufacturers do not seem to have scored any notable successes in this country—possibly from not having tried. With direct and excellent steamship communication between New York and Rotterdam, the trade opportunities in the Netherlands should not be overlooked, especially as the heads of most large houses at Rotterdam and Amsterdam understand English.

Our present trade is largely composed of copper, cotton, mineral oil, wheat and other foodstuffs, lumber, flaxseed, turpentine and rosin, chemicals, fertilizers, raw tobacco and leather—lines in which the buyer seeks the seller to a large extent. In finished manufactures, the Netherlands buys liberally of our mowers and reapers (some of which may be for re-export to the interior), automobiles, baking powder, builders' hardware, cash registers, marine and stationary engines, metal-working machinery, pumping machinery, sewing machines, shoe machinery, typewriters, other machinery of various kinds and wire and pipes and fittings, but this is far too short a list.

*The Two Trade
Centers of the
Netherlands*

Netherlands presents the somewhat unusual feature of having two large seaports only a short distance apart, yet both prosperous and important. Rotterdam is, in some ways, the best point for American manufacturers to select as their distributing center for the country. It is one of the largest and best-equipped seaports in the world and has an immense transit trade with the interior. It is the home port of many steamship companies, running to nearly every part of the world, and one of the leading distributing centers of several of the great staples of international trade. Amsterdam is also a very important distributing center in many lines, its auction sales tending to fix the values throughout the world on some of the commodities handled there, as, for example, coffee, cacao and cinchona bark (quinine). It is also an important center for copra, and for various drugs and medicinal gums coming chiefly from the Dutch East Indies.

The Trade and Trade Centers of Switzerland

Owing to the fact that it is remote from the sea, the foreign trade of Switzerland is carried on via the ports of several countries. Most of the bulky traffic goes via Antwerp and Rotterdam, which may be considered the chief maritime gateways to the country. There

is a Rhine harbor at Basle, which is the head of navigation on that river, but freight is usually carried at least part way by rail.

Both the export and import trade of Switzerland are increasing steadily and, despite its Alpine altitudes, the country is very important industrially. Cheese and condensed milk are made everywhere; cotton manufactures and embroidery, silks, watches and machinery are exported to all parts of the world, besides many minor lines.

Of the imports, which aggregate about \$400,000,000, some \$125,000,000 consist of manufactured goods. Owing to the important tourist traffic, Switzerland imports more than she exports. While the United States supplies a fair share of the foodstuffs and raw materials imported, it sells, at present, very little of the manufactured wares. The four frontier countries, Germany, France, Austria and Italy, between them, supply five-eighths of the total imports, of which Germany alone sells nearly half. This predominance is partly explained by the attention Germany has given to this trade. Of 7,182 traveling salesmen representing foreign houses in Switzerland in 1913, no less than 5,008 came from Germany, as compared with 1,458 from France, 278 from Italy, 221 from Austria-Hungary, and 72 from the United Kingdom.

Zurich is, on the whole, the best strategic center for the conduct of trade in Switzerland. It is close to Basle, the greatest railroad center, and is much the largest city in the Federation. It is in the German-speaking portion of the country—72 per cent. of the inhabitants of Switzerland speaking that language, 22 per cent. French, and six per cent. Italian and a local dialect. The other large towns in the German cantons are Berne and Lucerne, while the principal French-speaking cities are Geneva and Lausanne.

III

The Markets of Northeastern Europe

THE North Atlantic route briefly mentioned at the beginning of Chapter II is very much like a trunk-line railway. As one advances to the eastward, branch lines turn off at frequent intervals, only a few small strands continuing as far as the Baltic. After passing the ports of the Netherlands the great North Sea ports of Germany are next encountered, which are also the gateways for Austria-Hungary and a vast region in central Europe, including western Russia. Then come the Scandinavian countries, and lastly the Baltic ports of Russia and that country's now famous port in the far North which can only be reached by rounding the land of the midnight sun—Archangel.

The Central Empires

The strategy of the great war illustrates in a most striking manner the advantageous position occupied by Germany and Austria for the operations of peace as well as of war. By reason of her central position, Germany is in command of land routes of communication with all her neighbors. Hence, she has been able largely to monopolize the trade in manu-

factured goods with the neighboring countries which are not primarily manufacturing states. Even in the case of manufacturing countries she has dominated the import trade in many manufactured lines by underselling all competitors and sending traveling salesmen to every important trading center several times a year.

The Industries and Commerce of Germany

Prior to 1871 the German people were for the most part engaged in agriculture and were among the poorest in Europe. The amazing progress that has since taken place in industry, in domestic and foreign commerce, in finance and shipping, and in the material prosperity of the people generally, was primarily due to the unification of the numerous petty German States into the Empire. This resulted in the immediate extension of the German railway system—some of the States having opposed or retarded construction work for local reasons—and gave a permanent impetus to the development of internal trade that no *Zollverein* or tariff union could secure.

Before the close of the last century Germany had passed the United Kingdom in the production of iron and steel and has since maintained the second position in that industry, being surpassed only by the United

States. This industry is chiefly in the hands of large concerns, and its permanence is assured by practically inexhaustible deposits of coal.

While not as inventive as the Americans, the Germans have developed an enormous business in machinery, this industry alone employing, prior to the war, upwards of 750,000 work-people. In the electrical industry there has been likewise a remarkable expansion and, thanks to her excellent technical schools, German engineers have achieved many original and valuable results in this field. More than 50,000 men are employed in this industry, and 91 per cent. of all the electric railroads in Continental Europe were built by German firms.

In the chemical industries the German technical schools have achieved another triumph. Prior to 1860, all dyes were organic in origin. Today, almost without exception, they are derivatives from coal tar. The discovery and perfection of the processes by which these dyes are produced are due to German chemists, and the industry is still largely controlled by Germans—as the famine in dyes caused by the war clearly showed. The invention by a Munich chemist, in 1897, of a process for making artificial indigo ruined the business of producing and distributing vege-

table indigo all over the world and reversed the trade of Germany with respect to this important dyestuff. Formerly, Germany had imported three or four million pounds of the vegetable product per annum. Within five years of the perfection of the new process the Empire was exporting over eighteen million pounds of the artificial product. The textile industry also expanded rapidly during the latter part of the nineteenth century, the technical schools and the chemical industry with its improved dyes contributing to success in that branch. Germany now ranks third—normally—in the manufacture of cottons, and fourth in the production of woolens, silks and linens, while it occupies the second place in the import trade in these lines of many non-manufacturing countries.

While the output of the nation's chief industries has increased since 1871 more than ten-fold, domestic consumption has likewise increased to such an extent that the proportion of such commodities as steel and textiles for export has actually decreased. In other words, by changing from an agrarian to an industrial country, the consuming power of the nation increased, for a time, faster than the capacity to supply its requirements.

The export trade since 1900 has been largely in the hands of syndicates, or *Kartellen*, which

see that producers sell at a uniform price (frequently very much below the price charged to domestic consumers) and that they secure suitable rail and steamship rates. The growth of huge banking houses with world-wide connections has facilitated the export trade in two ways; large amounts of German capital have been invested abroad, and the enterprises thus promoted have naturally made most of their purchases in Germany. The offices of these banks in foreign cities are in a position to collect payment for all consignments of merchandise, and frequently to extend long periods of credit to the importer. Another factor that has greatly promoted Germany's export trade is the practice—dating from the early days of the Hanseatic League—of sending out young men to establish foreign branches who are expected to settle in the country to which they are sent, marry there, and become a part of its local life—but buy always from the Fatherland. The technical schools also aid exporting by supplying young men for traveling salesmen splendidly equipped as to their knowledge of commercial geography and foreign languages.

*Chief Factors
in Germany's
Export Success*

In the export trade, the United Kingdom was Germany's best customer prior to the war, followed by Austria-Hungary, the United States,

Netherlands, Russia, Switzerland, France and Belgium in the order named. Together, these eight countries took over 70 per cent. of Germany's exports. Of these, four, accounting for a third of the total export trade, are now in the ranks of the Empire's foes and may establish a customs union against German goods after the war.

As an import market, Germany's requirements are hardly as diversified as her industrial and commercial importance would lead one to expect. While her exports to the United States are for the most part manufactures—such as cotton goods (including hosiery), silks, dyes, porcelain, toys and gloves—she imports chiefly foodstuffs and raw materials. The following items account for 80 per cent. of the imports from the United States; raw cotton (a third of the total imports), crude copper, wheat, petroleum, lard, corn, turpentine, oil cake and meal, preserved and dried fruits, oleomargarine and cotton-seed oil. These are lines in which the buyer seeks the seller.

In manufactured lines many American concerns have branches in Germany, while the



Cotton forms a third of Germany's imports from the United States

trade between the two countries is also promoted by the large commission merchants and general trading houses organized at New York by men of Teutonic origin and with extensive affiliations in the Fatherland. The American Association of Commerce and Trade at Berlin includes in its membership the representatives of more than a hundred manufacturers, as well as many banking houses, shippers, and general traders interested in the commerce between Germany and the United States. In perhaps a score of lines American goods have achieved notable successes in the German market—including cameras, cash registers, machinery of various kinds, typewriters and boots and shoes.

Among the houses maintaining branches at Berlin are the American Trading Company, Crucible Steel Company of America, Dennison Manufacturing Company, Equitable Life Assurance Society, Hudson Motor Car Company, International Harvester Corporation, National Cash Register Company, The Thomas G. Plant Company, The Quaker Oats Company, Steinway & Sons, John B. Stetson Company, The B. F. Sturtevant Company, Swift Packing Company, Willys-Overland Limited, and Yale & Towne Limited. Both of the leading American mercantile agencies have offices at Berlin—a fact which

is of especial importance to manufacturers in connection with the extension of credit.

In Hamburg the visitor will see the most highly specialized mechanical equipment for rapid freight handling to be found in the

world. Sea-borne cargoes are transferred to railway cars or river barges with a speed that is amazing. A transatlantic liner carrying 10,000 tons of freight can be unloaded in 40 hours and loaded again in 30 hours.

Strategic Trade Centers of Germany Hamburg, however, does not seek to be a world entrepôt like London—a port for the unloading and storing of merchandise, to be reshipped as it is sold at auction or otherwise disposed of. Hamburg is modern in its conception of what a great port should be. It is a junction point between land and sea—a port where goods are transferred to or from the ocean carriers with the greatest expedition possible. Its hinterland is the great region drained by the Elbe and reached by the canals connected with that important river—all of Eastern Germany and part of Austria. Its rail connections extend to Russia, to every part of Germany, to Austria and even to the Balkan States and to Turkey. It is a rival of Trieste for the sea-borne traffic of Austria—and gets the best of the contest.

Bremen resembles Hamburg in the excel-

lence of its port facilities, but the shortness of the River Weser deprives it of so extensive a hinterland. Both ports have huge fleets of steamers plying to all parts of the world and cooperating with the railroads in affording cheap export freights to German industries. For heavy freight—such commodities as form 80 per cent. of the imports from the United States, together with coal from the United Kingdom, nitrate from Chile, coffee from Brazil, wool from Australia, jute from India, iron from Spain, and timber from many lands—Hamburg and Bremen are the strategic centers.

In recent years Berlin has gradually become the center of trade for all parts of the German Empire, superseding Hamburg in this respect. It is possible to reach the most distant city in Germany by rail from the capital within twenty-four hours. If a single center is desired for the entire country, therefore, Berlin offers the greatest strategic advantages and the head offices of many large industrial and commercial enterprises are now located there.

Another city of great historic importance in the commercial development of Germany is Leipzig, where for centuries great fairs have been held that have been attended by buyers from all parts of the world. In the

fur trade, the book trade and allied lines, leather of all kinds, cloth and dry goods, china and glassware and an immense number of other lines, the *Leipziger Messe* forms an international exchange of world-wide importance. The most important fairs are the New Year's Fair, which lasts from the 3rd to the 16th of January, and the Easter Fair, which in 1914 lasted from April 19th to May 10th. There is also a Michaelmas Fair (*Michaelismesse*) which begins about August 30th, and many minor fairs as, for example, the Bristles Fairs (*Borstenmessen*).

Another trading center of unique importance in a single line is Pforzheim, in the Black Forest, where the ordinary conditions of international trade are reversed, buyers coming from all over the world to make their purchases direct from the manufacturers. This city and the surrounding district have specialized since 1767 in the manufacture of jewelry and silverware, about 1,000 establishments being engaged in these lines, with more than 27,000 employees. In the number of registered packages handled by the post office, Pforzheim, although the 72nd town in Germany in point of population, ranks next to Berlin. The total transactions amount to more than \$100,000,000 annually and the Post Office reports in a recent year gave 9,855,900

as the number of letters mailed, and 8,521,200 as the number received.

At Nuremberg the toy industry of Germany has a distributing center organized along somewhat similar lines, and there are a number of other cities that might be regarded as strategic trade centers for certain industries.

An important traffic route that has done much for the upbuilding of Germany's industries is the River Rhine. Here the science of inland river navigation has been carried to a remarkable degree of perfection, more than 25,000,000 tons of river-borne traffic passing the ports situated at the Dutch frontier, while a still larger total was handled between domestic points. Some 38 river harbors have been improved with an attention to technical needs resembling that displayed at Hamburg. At the important industrial city of Dusseldorf, for example, great docks have been constructed at which vast quantities of coal, ore and finished steel products are handled.

The German railway system is almost entirely owned by the governments of the various states and connects with overland routes to every part of the continent. For example, the tunnels through the Alps in Switzerland have enabled Germany to win much of the trade of Italy in competing lines formerly supplied by the United Kingdom.

The Commerce of Austria-Hungary

The foreign trade of Austria is dominated to a large extent by Germany, which supplies 20 per cent. of the imports (chiefly manufactures) and takes 42 per cent. of the exports (chiefly foodstuffs and raw materials). The United States ranks second in the import trade, but the chief articles supplied are raw cotton, copper, tobacco, rosin and pork products. In manufactured lines this country supplies machinery, boots and shoes, and moderate quantities of a number of other lines, but the German manufacturers and merchants cover the country with their salesmen so effectively that the best policy in this market is usually to grant an exclusive agency to a strong Austrian trading house having salesmen of its own. There was, prior to the war, little or no hostility to American goods, and in lines like agricultural machinery American makes were probably more largely sold than any other.

In Hungary, which keeps separate customs statistics from those of Austria, 72.5 per cent. of the imports came from Austria, and 76 per cent. of the exports were sent to that country, while Germany supplied 8 per cent. of the imports and took 7 per cent. of the exports. As the country is mainly agricultural, its requirements cover a smaller range than those of Austria, farm machinery being the most impor-

tant manufactured line coming from the United States. In Austria the ancient Kingdom of Bohemia is the most important industrial region, and there the import needs are as diversified as those of Germany.

Vienna occupies a commanding position with respect to the main traffic routes of the dual empire, being situated on the banks of the River Danube and at the intersection of the railways from London, Paris and Berlin to Constantinople, and of the line between Rome and Petrograd. It is, therefore, the natural strategic center for the entire country, if only one is desired. The city is the center of an important industrial district, and most of the large German houses trading with the empire have branches there; in fact the largest proportion of the city's population speaks German. Very few American firms have as yet established branches at Vienna, although American shoes have done well there.

*The Trade
Centers of
Austria-Hungary*

In Hungary—for those whose lines will sell there—the strategic center is Budapest, located on both banks of the Danube. It is a very active commercial city, with a rapidly increasing population. The language spoken is Hungarian or Magyar. A third center that merits attention from those desirous of establishing their trade in the dual empire on a firm

foundation is Prague, the capital of what was formerly the independent kingdom of Bohemia. This is also a very enterprising and progressive city, and the center of an exceedingly important industrial region. The fact that it speaks a different language from the other two centers just mentioned (Bohemian) makes a separate branch here desirable for firms that seek a wide popularity for their products.

The Scandinavian Countries Denmark

From the earliest times the inhabitants of Jutland and the adjacent islands, which together form what is now known as Denmark, have been famous as sea rovers. For centuries the Kings of Denmark ruled over Norway, the latter country speaking the Danish language in consequence. The country still is largely engaged in foreign commerce, but during the last century intensive agriculture and dairying have become its chief industries. There are nearly 2,500,000 cows in the country, or an average of almost one for each inhabitant. From 85,000 to 90,000 tons of butter and about 10,000 tons of milk and cream are exported annually.

As there is very little manufacturing in Denmark, its imports in manufactured lines

are quite diversified. Imports are normally greater than the exports by between \$30,000,000 and \$50,000,000—the difference probably representing the payment for the country's over-sea carrying trade. Twenty years ago the farmers were inclined to be conservative and clung to old-fashioned implements, but of late they have been more progressive and now buy considerable quantities of American machinery, especially mowers and reapers, and moderate amounts of other classes of farm implements.

Iceland

Iceland, which has an area twice as large as Denmark itself, merits a word as a separate market. During the war the business men of Reykjavik sent a small steamer to New York to buy provisions and other supplies that they were unable to obtain from the mother country. The trade thus inaugurated, if followed up, may well divert much of the import business of the colony to this country. The principal industry of Iceland is fishing, but the exports also include mutton, wool, fur, eider down and feathers. The exports and imports each average about \$5,000,000 annually, the trade being almost entirely carried on by the Icelanders themselves. The Icelanders do not speak Danish, but old Nor-

wegian (the Saga language), but most of the traders understand English fairly well.

Norway

Norway is primarily a maritime country, a large percentage of its men being seamen. Its merchant fleet ranks next to those of England and Germany in the foreign trade. It also has large fleets of fishing craft. In the summer the famous fjords attract great numbers of tourists who bring much wealth to the country. In the interior agriculture is carried on, but there are no towns, the people living on their farms. In fact, there are very few towns in the country not located on the sea, as some of the fjords penetrate far inland. There is a steadily increasing amount of manufacturing in the larger cities of Norway. The country's import requirements therefore include all kinds of factory equipment, most of which come from Germany and the United Kingdom. The imports of machinery at Skein alone (a saltpeter, paper and pulp manufacturing town), for example, have increased from \$50,000 ten years ago to three-quarters of a million for the year last reported. Some 20,000 tons of tinned fish are exported annually from Stavanger, the canneries buying most of their machinery and supplies in the United States and the United

Kingdom. The country is a large exporter of sawn lumber, wood pulp, cellulose, paper and matches, and these industries require large supplies of machinery. Of late the numerous waterfalls are being utilized for electric power plants, two power stations near Skien having a capacity of 130,000 and 110,000 horse-power respectively. The country also has iron, nickel and copper mines.

Imports are normally 50 per cent. larger than exports. In manufactured lines which the United States could readily supply the bulk of the trade is secured by the United Kingdom and Germany—the latter country sending commercial travelers to every important town. While growing slightly in amount, the imports from the United States appear to be declining in proportion to those of her principal competitors and, as most of them at present consist of foodstuffs and raw materials for manufactures, it is evident that American manufacturers have not devoted much attention to this important market. Some years ago considerable numbers of motor boats were shipped to Norway. There is a steady demand for phonographs and records. In typewriters and office supplies we have most of the trade. In farm machinery our trade is relatively small, most of the supplies in this line coming from Sweden, as do

all of the separators used in the dairying industry.

Sweden

Sweden is one of the oldest trading nations in Europe. More than 800 years ago the now sleepy town of Visby, on the Island of Gothland in the Baltic Sea, was one of the most powerful trading centers in the world, rivalling Venice in wealth and importance. At present the country is no longer prominent as a maritime nation, but its foreign trade is still large and diversified. Industrially it is very important. Swedish inventors have made many contributions to the world's progress. One of the leading industries is the manufacture of cream separators and dairy utensils of all kinds, a line for which Swedish manufacturers have found a world-wide market. Another industry of great export importance is the manufacture of safety matches, which are also of Swedish invention.

Other important industrial lines are textiles, lumber cutting and sawing, wood pulp and paper, machinery of many kinds and metal wares generally. In the last group alone there are some 2,000 factories, employing about 75,000 workmen. Altogether 27 per cent. of the population depend upon manufacturing and mining, iron and copper being mined on

a limited scale. More than 55 per cent. still depend upon agriculture, which is intensively practiced over most of the country, and especially in the southern portion. In recent years the drift of laborers from the farms to the workshops has necessitated greatly increased use of farm machinery, and Sweden is now a good market for this class of machinery.

Despite its large manufactures of machinery, Sweden also imports machines of various kinds quite extensively, drawing its supplies chiefly from the United Kingdom and Germany. While American manufactured goods are not unknown, the bulk of our exports to Sweden consists of raw materials and food-stuffs.

As one approaches the Scandinavian countries from the west, the ports of Norway are the first to be encountered. Of these, Bergen and most of the minor ports are situated on fjords opening directly into the North Sea, while Christiania is situated at the extremity of a long fjord opening into the Skagar Rak, or Sleeve, as the entrance to the Baltic Sea is called. For Norway, Christiania, the capital and chief metropolis of the country, is the best strategic center, with Bergen as the second point, if two are needed.

*The Chief Centers
of Scandinavian
Trade*

Both are active enterprising cities with large shipping connections and a heavy import and export trade.

Gothenburg is Sweden's most westerly port, and beyond it to the south, where the channel narrows to the width of a broad river, lies Copenhagen, the capital and metropolis of Denmark. If a single center for the three Scandinavian countries were desired this would be the one to select, for it is centrally located and is commercially the most important city in the group. At the end of the chain lies Stockholm, on the Baltic, Sweden's capital and metropolis. This is the strategic center for that kingdom, with Gothenburg as the second point, if a second is necessary. Reykjavik is the trade center for Iceland.

Northern and Central Russia

The last ports at the eastern end of the North Atlantic route are the northern gateways to Russia—Riga, Helsingfors and Petrograd on the Baltic, and Archangel on the White Sea. The fact that these are all ice-bound for a portion of each winter sometimes causes us to forget that Russia is a country of magnificent distances north and south as well as east and west. On the shores of the Black Sea the climate is semi-tropical, with waving palms and swaying bamboo groves; there

oranges ripen in January and tea-growing is being attempted with success.

Prior to the war the chief gateways to Russia were not the ports above mentioned, but Hamburg and Bremen. German shippers and traders monopolized the import commerce of the country to such a degree that the Russians themselves were seeking for some means of throwing off the yoke long before the fateful year 1914. As a means of achieving her economic independence, Russia looks upon the United States with particular favor. The recent establishment of a Russian-American Chamber of Commerce at Moscow, with a corresponding body in New York, is an evidence of this cordiality.

Industrially Russia resembles the United States to a very striking degree. Her vast inland plains are one of the great granaries for the world. As was the case in Canada, it is being found that the region of successful wheat cultivation extends much farther to the north than was at first supposed, so that almost immeasurable areas still await development.

Since 1906 the Government has encouraged the peasants to purchase lands in perpetuity, and under the leadership of the Zemstvos efforts have been made to instruct the peasants in scientific farming. The Zemstvos have al-

*Russia's Vast
Natural Resources*

so organized credit associations to assist the peasants to buy lands and have established country stores where all the requirements of rural existence can be procured at moderate prices. The prohibition of the sale of vodka, resulting from the war, and the prolonged period of discipline in the armies will make the peasant class of Russia far more efficient than formerly; hence a tremendous expansion of the Empire's agriculture is likely to be one of the great indirect results of the conflict. While cereals, flax and hemp occupy the foremost rank among the nation's agricultural products, vast areas in the southern portion are suitable for growing cotton, the output already supplying half of the fast-increasing domestic requirements. Silk is produced in several districts on a commercial scale; the scientific raising of cattle and supplying of meat products is only in its infancy; dairying is beginning to be carried on extensively and the country is already a large producer of poultry and eggs. Other agricultural products of importance are beet sugar, tea, tobacco and wine.

Today Russia stands with respect to her internal communications about where the United States stood on the completion of the first transcontinental railway in 1869. A score of supplementary lines are needed to

open up completely the vast territory suitable for agricultural exploitation. Unlike ourselves, however, Russia has for years pursued a highly intelligent and consistent policy of utilizing, improving and connecting her waterways, so that at present all of her vast rivers are available for the cheap transfer of freight. Altogether, the navigable inland waterways of the empire aggregate 102,600 miles in length, of which 49,625 are in European Russia.

Even Russians themselves do not know the extent of the country's resources in minerals. It has vast coal deposits, only partially exploited; important gold mining regions, as yet only partially developed for lack of capital; one of the richest oil fields in the world; enormous deposits of iron ore, very little worked at present; and the bulk of the world's known supply of manganese and platinum. Of other metals there is hardly one that is not produced in some part of the Empire, and it is likely that many additional sources of supply will be discovered as capital becomes available for a more systematic exploitation.

Manufacturing in Russia is still in its infancy, comparatively speaking, but in textiles, machinery and several other lines the number of establishments and employees is already very considerable.

Owing to the fact that direct shipments between the United States and Russia have heretofore been confined to a single line of Russian steamers, with occasional chartered vessels, the statistics of both governments fail to indicate adequately the volume of trade in either direction. Officially, exports from Russia to the United States amounted in 1913 to \$7,000,000, which was less than one per cent. of the total exports for that year, which aggregated in all \$783,800,000. Including indirect shipments via Germany, Netherlands, Belgium and England it is probable that the actual exports to this country were nearer \$50,000,000. Similarly, the imports from this country were officially reported at \$40,700,000, or 5.8 per cent. of the total imports of \$707,600,000. Including indirect shipments, it is believed that the actual total of the imports from the United States exceeded \$75,000,000.

These totals for the Russian-American trade in both directions become insignificant, however, when contrasted with the returns for Germany, which imported Russian goods in 1913 to the value of \$233,600,000 or 29.8 per cent. of the total exports from that country; while German exports to Russia aggregated \$335,800,000, or 47.5 per cent. of Russia's imports. A detailed study of the items of which

the Russian-American trade was composed shows that our imports were chiefly raw materials, such as hides and skins, carpet wool, flax, furs, manganese, etc., while our exports were largely cotton and other materials for manufacture, foodstuffs and machinery. The tables on pages 56-7 give a few of the imports of manufactured lines into Russia for the year 1913 from the United States, Germany and the United Kingdom, together with the total imports.

These figures sufficiently indicate the relative insignificance of America's share in the Russian import trade prior to the war, and the extent of the trade to be gained if efficient efforts are made to secure it. In no single market in the entire world are the opportunities equally great, provided means for financing the trade are found and adequate shipping facilities are provided. Another matter that must first be adjusted is the renewal of the commercial treaty between Russia and the United States. Until this is done our trade will be subject to a needless handicap.

In a country as vast as Russia, comprising one-sixth of the land surface of the globe, with a total population of 170,000,000, a single trade center is not practicable.

Petrograd, the capital, receives some 16 per cent. of the total imports, and its position at

IMPORTS INTO RUSSIA FOR THE YEAR 1913 IN CERTAIN LINES

<i>Classification</i>	<i>From United States</i>	<i>From Germany</i>	<i>From United Kingdom</i>	<i>Total Imports</i>
Boots and shoes.....	\$85,947	\$695,712	\$24,108	\$1,089,264
Woodenware and furniture.....	209,563	1,086,360	259,696	2,408,258
Abrasives	13,353	280,336	8,609	342,650
Manufactures of copper.....	15,136	4,708,065	114,283	5,306,686
Manufactures of pig iron.....	20,553	1,366,837	152,766	1,721,274
Simple manufactures of iron and steel.....	137,452	8,410,341	1,237,746	10,630,579
Manufactures of tin plate.....	15,631	2,653,491	93,853	3,015,333
Wire of all kinds.....	4,745	746,160	373,540	1,174,781
Wire manufactures.....	22,729	2,092,659	153,026	2,490,681
Files, rasps, etc.	15,239	480,675	113,429	762,660
Other hand tools.....	35,116	1,628,607	353,104	2,312,734
Simple machinery.....	211,342	14,626,050	2,617,754	18,747,730
Flour mill machinery.....	3,733	405,288	15,176	503,420
Gas and oil motors.....	238,629	2,944,089	1,547,139	5,350,917
Steam engines	41,815	1,527,976	234,212	2,106,865

IMPORTS INTO RUSSIA FOR THE YEAR 1913 IN CERTAIN LINES

THE WORLD'S MARKETS

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<i>Classification</i>	<i>From United States</i>	<i>From Germany</i>	<i>From United Kingdom</i>	<i>Total Imports</i>
Portable engines	31,878	412,422	84,511	582,686
Woodworking machinery	16,389	672,354	31,125	800,655
Pumps	104,093	3,467,625	249,181	3,963,505
Sewing machines	1,446,098	2,727,795	910,282	5,119,624
Metal working machinery	244,405	5,488,934	621,093	6,585,616
Typewriters	279,621	584,913	42,932	917,190
Electric motors, etc.	14,180	4,431,762	231,009	5,008,348
Agricultural machinery	2,723,955	5,111,228	1,176,157	12,766,705
Complex farm machinery	1,814,830	1,557,854	1,923,888	7,178,695
Parts of machinery	601,254	6,966,330	1,158,497	9,559,144
Scientific instruments	75,220	2,276,004	55,139	2,662,115
Electrical appliances	51,576	3,196,215	73,408	3,506,284
Musical instruments	10,390	3,020,612	86,696	3,395,279
Stationery and paper	25,427	3,113,183	186,830	16,882,000
Motor cars and trucks	300,760	7,102,264	778,843	8,951,095

the very extremity of the Gulf of Finland makes it an excellent distributing center for the northwestern part of the country. It is the natural point for the offices of firms interested in government contracts.

*Strategic Trade Centers
of Northern and
Central Russia*

In central Russia the great strategic trade center is Moscow. According to the customs returns, 15 per cent. of the imports into the country are declared at

Moscow, while the greater part of the 12 per cent. entering at Riga and Reval on the Baltic and of the 14 per cent. coming across the Prussian frontier probably goes to Moscow for distribution. For the entire central portion of European Russia, with its vast agricultural and industrial activities, Moscow is the logical center, while its trade connections cover the entire length of the trans-Siberian Railway.

For the Baltic provinces Riga would be a better center, and for the nine provinces of Russian Poland Warsaw should be selected.

For lines appealing to peasants, or susceptible of a wide popular demand, it would be worth while to arrange for an exhibit at the great annual fair at Nizhni-Novgorod, which could readily be looked after by the office or agency at Moscow. This fair, which dates from the Middle Ages, is held from July 28th to September 7th at the junction of the

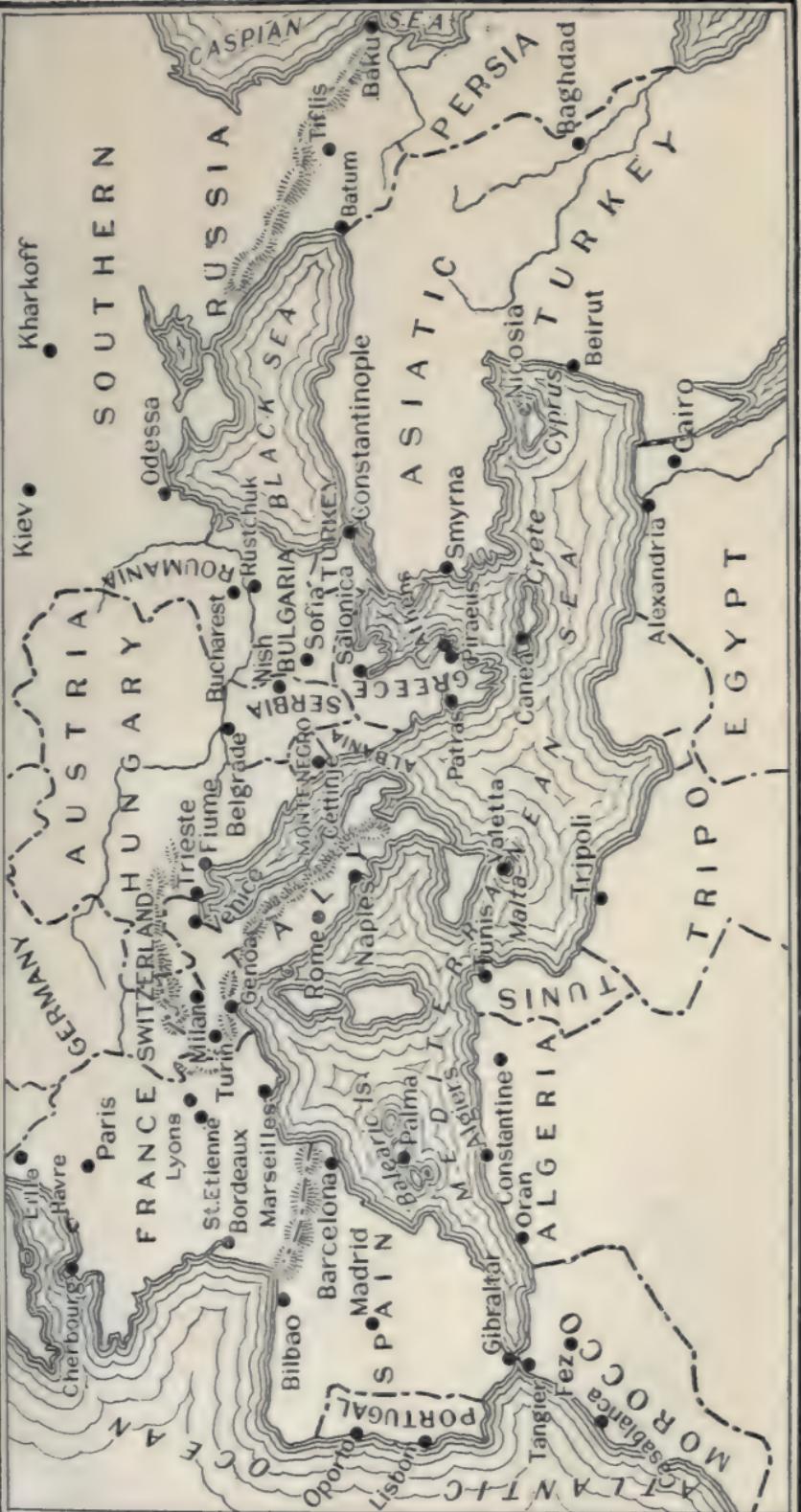
Volga and Oka rivers. It is attended by more than 100,000 buyers from eastern Russia and western Asia, and has an annual turnover amounting to nearly \$67,000,000. At times as many as 400,000 people are within the fair limits, and the scene is one of the most animated and interesting to be encountered in the commercial world. Similar fairs are held at 29 other places in Russia, but this is the most important one, the others being chiefly local exchanges such as are common in western Europe.

The strategic trade centers of southern Russia will be considered in the next chapter.

IV

The Mediterranean Region

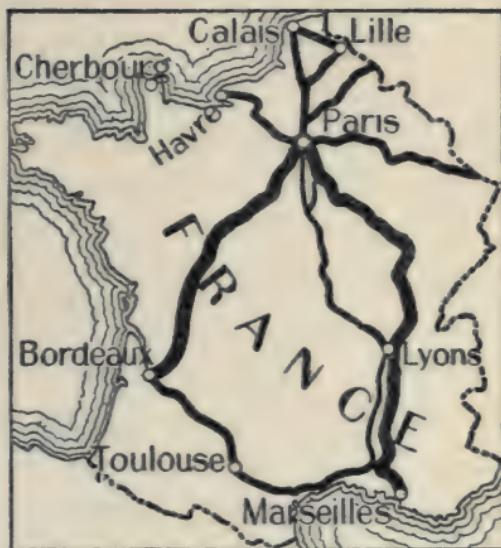
“THE great trade route connecting America and Europe with Asia by way of the Mediterranean and Red Seas,” says Prof. J. Russell Smith in his invaluable *Industrial and Commercial Geography*, “is the route through the heart of the world.” Starting from New York it crosses the Atlantic close to the fortieth parallel of latitude, while the swing of the great circle carries vessels from New Orleans and the Gulf ports over practically the same course. After calling at the Madeira Islands or the Azores, the steamers from America pass through the Straits of Gibraltar, where they join the fleets coming from the ports of northern Europe. The route then leads across the Mediterranean to the Suez Canal, and thence onward to the Far East and Australasia. Along its vast length this route passes regions inhabited by 1,200,000,000 people, or three-fourths of the population of the globe. Almost innumerable branch lines radiate off from the main trunk on both sides to ports on the Mediterranean, while a most important branch in normal times passes through the Dardanelles to Constantinople and the Russian ports on the Black Sea and to points on the Danube.



Almost from the dawn of history the countries facing the Mediterranean have been actively engaged in international commerce.

France

To the average tourist who has visited France it may be a matter of surprise to learn that Havre and the other Channel ports of that sunny republic are not its main gateways, but really constitute a sort of back door. France, commercially and industrially faces south. Let anyone who is disposed to doubt this statement study attentively a traffic map of the great French railway systems. Plotted in lines indicating by their relative thickness the density of freight movement, such a map shows a thin line between Havre and Paris, somewhat thicker ones from Calais to the metropolis, and from Paris to Lille and points along the Belgian frontier, and two dense lines from Paris southwestward to Bordeaux and southward to Marseilles. The last is by far the largest of all, increasing in thickness as it passes Lyons and St. Etienne, and represents



France, commercially and industrially,
faces south

the great artery of France's industrial and commercial life. Thus, while most Americans think of France as one of the first countries encountered on the North Atlantic route, the people in southern Europe, Asia, Africa, Australia, South and Central America, and even in the regions served by our own Gulf ports, do business with France by one or the other of her two great southern gateways.

France is one of the oldest industrial countries in Europe, many of its manufacturing towns dating from the Middle Ages, when all work was done by hand. The ancient dexterity and skill have never been lost, while with these qualities the French workman combines an unerring artistic instinct that imparts an additional element of value to his products in many lines. Thus, Lyons silks, St. Etienne ribbons, the porcelains of Sèvres and Limoges, the famous cottons and fine woolens of Lille, Roubaix and Tourcoing, and the gowns and millinery of Paris set the high standards for the world.

In recent years France has been striving to develop export industries in cheaper and heavier lines. Vessels coming to French ports bring heavy and bulky cargoes, foodstuffs and raw materials for manufacturers, and carry away articles of high price and little weight—wines, cheese, fine woolen cloth and fine cot-

tons, silks, and the various artistic manufactures known as *articles de Paris*. This one-sided traffic is bad for the ports, some of which are declining in prosperity.

Of France's import trade, which amounted to \$1,701,676,000 in 1913 (a normal year), less than a tenth was supplied by the United States. American shipments of manufactured goods were only \$22,493,000, as compared with \$307,560,800 supplied by other nations. The war has reversed this situation, and affords an opportunity to establish a permanent trade in manufactured lines several fold larger than the total for 1913. In machinery, especially, the demand is already large, and will undoubtedly increase after peace is restored. Far-sighted Frenchmen are planning a complete reorganization of the nation's industries to cope with the situation created by the heavy death roll of the war, and labor-saving machinery will be needed in every type of shop, as well as in the fields. France is one of the six great wheat producing regions of the world and is, therefore, a great potential market for agricultural machinery.

Paris is, of course, the first point for every manufacturer to select for his distributing center in France. All railroads lead to Paris, and it is the financial and commercial metropolis of the nation. It is, moreover, an ex-

cellent center for all of western Europe. The American Chamber of Commerce in Paris includes in its list of members two or three hundred representative American concerns and is a helpful factor in promoting closer trade relations between the two countries, besides serving as an excellent model for institutions of the same kind in other capitals.

Strategic Trade Centers of France Marseilles is a second strategic trade center for France that merits far more attention than most American manufacturers have given to it. Here are concentrated the trading houses and manufacturing enterprises that constitute the main connection between the half-savage regions of the tropics and modern civilization. All kinds of tropical oils and oil-bearing seeds are brought here for treatment or re-export, while the port is an entrepôt for tropical products of all kinds. Conversely, its trading houses are better equipped than those elsewhere to supply the countries from which these products come with their few and simple requirements. The manufacturer who hopes to put a flag or star on his export map to indicate that his products are in use in the tropical colonies of Africa will do well to plan his campaign via Marseilles.

Lyons is another trade center that is worth including in the list if the manufacturer

wishes to be in close touch with the requirements of a great industrial region. Another industrial center that deserves consideration is Lille, where, after the war, many factories may have to be entirely rebuilt and re-equipped.

Spain and Portugal

The Iberian Peninsula, which projects from the southwestern corner of Europe almost to the shores of Africa, might seem from the map to form a sort of connecting link or bridge between the two continents. Historically, this has not been the case, however, for the lofty mountains of northern Spain formed so effective a barrier to the north that it became a proverb in France that "Africa begins at the Pyrenees." The 800 years of constant warfare with the Moors, so picturesquely narrated by Washington Irving, gave the Spanish people a predilection for war and conquest that the discovery of America fanned into a flame. The poverty of the country provided an additional incentive to adventure—with the result that Spain acquired in less than half a century an empire that in vastness and potential wealth far surpassed that of the Cæsars. The Portuguese portion of the peninsula, facing the sea on two sides, developed a race of sea rovers who, stimulated by the example of Colum-

bus, discovered the true sea route to the Far East and established many widely scattered colonies.

Hence, this half-isolated spur of Europe has given its languages and its civilization to more than half of the New World and many of the intervening islands, as well as to various corners of Asia and Africa.

The Industries and Commerce of Spain

Nearly two-thirds of the people of Spain depend upon agriculture for a livelihood, but with relatively little success save in the southern portion, where the vine and olive contribute materially to the nation's wealth. If the Spanish peasants in other sections could be induced to adopt progressive methods and modern machinery and implements, what is now the poorest part of the country would become the most prosperous, for the soil is fertile. Lack of transportation facilities in the interior, particularly of good roads, also retards the development of agriculture.

On the other hand, Spain in recent years has made remarkable strides in the development of new industries—especially in the vicinity of Barcelona and Bilbao—and has built up a very considerable export trade with her lost colonies. The result is a marked increase in the imports of machinery and industrial

equipment, such as the United States is in the best position to supply. American goods in a great variety of lines are proving increasingly popular in Spain, and if more attention were given to the requirements of this market, imports would undoubtedly respond. Spain is one of the foremost mining countries in Europe, copper having been mined along the Rio Tinto since the days of the Phœnicians. The outlying Canary Islands and the Balearic Islands in the Mediterranean should not be lost sight of. The former already buy very liberally in the United States, while the trade of the latter is worth cultivating.

Barcelona is the best single point at which to locate a distributing office or agency for Spain. It is the terminus of the only direct steamship line between Spain and the United States, and is one of the greatest cotton ports in the world. Some years ago much of the older portion of the city was torn down and rebuilt along modern lines, while many important cotton, woolen and other manufacturing establishments are located within or near the city. Madrid, the capital, is another excellent point for an office, as it is situated almost at the geographical center of the country, with railway lines to all the leading cities. For the Canary Islands, Santa Cruz de Tenerife

*Strategic Trade
Centers of Spain*

is the best center, and for the Balearic Islands, Palma on the island of Mallorca.

Commerce and Trade Centers of Portugal

The most important exports of Portugal are its famous wines, corkwood and cork partially manufactured, and colonial products—principally cacao from São Thomé. Its colonial possessions give the country a very considerable transit trade in foreign imports subsequently re-exported to the colonies, and colonial products subsequently re-exported. Together, these amount to half of the entire foreign trade. Imports normally exceed the exports by from 50 to 65 per cent., due in part to the fact that profits and dividends from the colonies are paid in merchandise, and in part to the heavy remittances home made by Portuguese laborers in Brazil and other foreign countries—the latter item amounting to more than \$25,000,000 annually.

Since 1890 there has been a considerable development of manufacturing in Portugal, with the result that machinery forms an important item of import. The principal manufactures are textiles, paper, cutlery and iron wares. Imports of miscellaneous manufactures are diversified and the country offers an excellent market for American goods of all kinds. In the Atlantic Ocean, to the west of

Portugal, are the Azores and the Madeira Islands which, in proportion to population, are much better markets for American goods than the mother country.

The best trade center for Portugal is Lisbon, the capital. Not only is this city the principal port of the country, but it is the center of the railway system, which comprises a single north and south line with branches along the valleys of the Tagus, Mondego and Douro, and to all of the principal towns. Oporto, the second city in importance, is another good trade center. The principal center for the Madeira Islands is Funchal, and for the Azores, Ponta Delgada on the island of St. Michaels, seafaring men usually calling the latter town by the name of the island.

The Trade of Italy

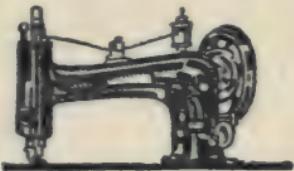
Although one of the oldest seats of civilization and commerce in the world, it was not until the establishment of its independence, a little more than 50 years ago, that modern Italy began to take the place in the commercial world to which it is entitled by reason of its geographical situation, its wonderful soil, climate, and the industry of its people. More than 3,500 square miles are planted to olive trees, while vineyards occupy 8,000 square miles.

On the Plain of Lombardy and in Liguria and Piedmont, in Northern Italy, manufacturing has been developed to a high degree. More than 200,000 people are employed in the silk spinning and weaving mills, while the number in the cotton, woolen and other textile industries is very large. A recent report gives the number of manufacturing enterprises in the Piedmont district alone, of which Turin is the center, as 23,366, employing 342,397 persons. Italy is, therefore, an important market for machinery and industrial supplies of all kinds, and also a large importer of agricultural machinery, owing to the increasing shortage of farm laborers.

Imports are normally from 45 to 50 per cent. larger than the exports. The number of Italian laborers coming to the United States, many of whom return to Italy eventually, should greatly stimulate the demand for American goods and suggests a most interesting method for promoting our trade with Italy, which—so far as the author is aware—has never been tried. This would be to train some hundreds of the brightest young Italian immigrants to be traveling salesmen for American manufacturers in Italy. Germany sends in normal times several thousand salesmen to Italy, the United States scarcely a score. With the native knowledge of Italian

which these men possess, together with the detailed information regarding the manufacturer's products they could acquire by spending several weeks at his factory, they should make excellent salesmen if selected with discrimination.

While the United States supplies Italy with raw materials, petroleum, provisions and the like in large quantities, our exports of manufactured goods are far less than those of Germany, the United Kingdom, France, Austria and Switzerland. The Singer Sewing Machine Co. has branches or agents throughout Italy, as it has around the world; the Eastman Kodak Co. and the Walk-Over Shoe Co. have stores there, as well as in most of the countries of western Europe, but the roll of American firms that are well established in Italy is not long enough. The country offers a market for manufactured goods in the utmost variety, particularly machinery and metal wares, office supplies and time or labor-saving devices of every description.



Some American goods have established themselves in Italy—the list should be longer

Rome, despite its antiquity and the fact that it is the capital of the country, is not the best trade center. That position belongs to

*Trade Centers
of Italy* Milan, the great railroad and industrial metropolis of northern Italy. There most of the foreign traders have their head offices for Italy, while the mercantile community includes many large native houses whose salesmen penetrate every part of the country. The seaport for Milan is Genoa, while it is not far from Turin and Venice at opposite ends of the Plain of Lombardy. It is also connected with northern Europe via the Alpine tunnels.

A second center of importance is Naples, which dominates southern Italy in the same way that Milan does the north. There is a recently organized American Chamber of Commerce at Milan, with a branch at Naples.

The Italian Coast of Austria-Hungary

One of the many minor issues of the great war is the determination whether Trieste and the adjacent coast shall belong to Italy or Austria. Incidentally, there is a similar contest over the possession of Trent and the Trentino region. The decision regarding Trieste, however, is far more important, for in normal times that port is the chief maritime gateway of Austria. Its population is largely Italian

—the city directory, for example, being printed in that language—but commercially and economically it belongs to Austria. Should it be lost, the Hungarian port of Fiume would no doubt be developed more extensively; if it is retained, it is likely that the Austrian Government will take steps after the war to increase greatly its maritime importance.

Trade and Trade Centers of Greece

While the United States is a large buyer of Greek tobacco, currants, olives and olive oil, the volume of our exports of manufactured goods to Greece is very small. This may be partly due to lack of effort, owing to the fact that the language is unfamiliar to us. French, however, is the second choice for Greece and all of the Balkan States, and is to a large degree the language of international commerce throughout the Near East. The directory of Greece, for example, is printed in Greek and French, and the same is true of the directories in many of the countries and cities of the eastern Mediterranean. The war has driven Greek importers to seek in the United States many of the lines formerly purchased in Germany and Austria, and may result in permanent connections that will greatly increase our trade in that part of the world hereafter.

Greece has a merchant marine of more than a million tons, which was greatly enlarged by shrewd purchases early in the war, and has established direct steamship sailings to the United States on her own account.

Athens is the strategic trade center for all of Greece, its port being Piraeus. From there trade can be handled with all of the Greek Islands, some of which are commercially quite important. Patras, the center of the currant trade, has considerable direct trade with the United States, and on that account would make a good second center. Salonica, recently acquired from Turkey, is the principal city of "New Greece" and was formerly an important trade center for a hinterland of 4,000,000 inhabitants. The present war interrupted the readjustments necessary after the last one, so that the future of this port cannot be foreseen. There are branches of the American Chamber of Commerce for the Levant at all three cities.

Commerce and Trade Centers of the Balkan States

Roumania

The position of the United States with respect to the trade of Roumania is sufficiently indicated by the statistics of a normal year, when of the total imports of \$110,000,000 we

supplied \$2,470,000, or about two per cent., while of the total exports valued at \$133,500,000, our purchases amounted to only \$48,000. The next year our purchases increased to \$489,000, of which \$431,000 represented copper ore, and then declined again, owing to the closing of the Dardanelles.

Roumania's great trade route to the outside world is the River Danube, on which the traffic in normal times is very heavy. Germany and Austria-Hungary formerly dominated the import trade of the country. Agriculture is the principal occupation. The International Harvester Company and the United States Steel Products Company have trade connections in Roumania, but other American manufacturers have devoted very little attention to this market. The trade of Roumania is worth cultivating as practically all manufactured products used in the country are imported.

Bucharest, the capital, is one of the handsomest cities in southern Europe and the strategic trade center for the country. It is situated on the only important railway in the country, and is also connected by rail with river ports on the Danube. From the United States it can best be reached via the Dardanelles and the Black Sea, being thus at the very extremity of the Trans-Atlantic-Mediterranean route.

Servia

Servia, which has played so prominent a part in the great war, is of relatively minor importance commercially. Chiefly an agricultural and pastoral country, its people live simple lives and their wants are few. Its fate after the war will depend upon the outcome of the struggle, and its future commercial importance will be decided at the same time. In normal times its imports amount to some \$15,000,000, and its exports to \$20,000,000. Apart from farm machinery it has not hitherto been much of a market for American manufactures, but with more careful study of its trade possibilities this situation might materially change. Should the war result in restoring Servian independence, it is probable that the country will seek to free itself from its economic dependence on Germany and Austria and will devote much attention to promoting trade relations with the outside world.

Belgrade, the capital, is situated directly on the Danube, which forms the easiest gateway to the country. It is also on the important Orient Railway from northern Europe to Constantinople, which has a branch line from Nish to Salonica. From the United States the country is best reached by the Salonica route.

Montenegro

The little country of Montenegro, which has for the time being shared the fate of Serbia, will probably endeavor after the war—if its independence is restored—to establish closer trade relations with the outer world. Its people, who number barely a quarter of a million, are mostly mountaineers, engaged in primitive agriculture and in pastoral industries. There are no large towns, Cettinje, the capital, being a village of 4,500 inhabitants.

Bulgaria

The prospects for any very marked increase in American trade in Bulgaria after the war must be admitted to be small. The alliance with the Central Powers and the opening of the Danube to navigation between Bulgaria and Hungary are factors which tend to increase the advantage previously enjoyed by the manufacturers of Germany and Austria-Hungary in this market. Moreover, the majority of the banking institutions are either German or Austro-Hungarian, and the development of the country's railway system is being financed by Teutonic capital. Since 1909 the Bulgarian government has systematically promoted the establishment of domestic manufactures, with the result that 166 out of a total of 388 have been organized since

that date, besides 12 new trading corporations. Bulgaria is principally an agricultural country, with silk-growing and the cultivation of roses for the extraction of attar of roses as branches of special interest.

The capital, Sofia, is situated on the Orient Railway, and is the best trade center. It is connected by rail with several ports on the Bulgarian side of the Danube, of which Rustchuk is the most important. It is also easily reached from Salonica via Nish, which is the best route for light merchandise from the United States. Heavy goods are in normal times shipped via the Dardanelles and the Danube.

European and Asiatic Turkey

The famous Golden Horn has been a seat of commerce for more than 2,600 years. First settled by the Greeks about 700 B. C., the early town was called Byzantium. The Roman Emperor Constantine changed its name to Constantinople, and during the Middle Ages it became the richest and most splendid city in the world. The capture of the city by the Turks in 1453 greatly lessened its prestige as a commercial metropolis, but it then became the center of the Islamic Orient and as such continued to be an important mart for the exchange of the products of the East and the

West. The recent Balkan wars stripped off most of its European hinterland, but its strategic location on the Bosphorus and its command of some of the trade routes into Asia Minor continue to give it a world-wide importance and make it the greatest single prize of the present war. The small remnant of European Turkey and the still considerable domain in Asia subject to the Sultan are regions of great economic wealth, but centuries of misrule have transformed some of the most fertile parts of the globe into uninhabited wastes. In recent years some progress has been made in railroad building, the partially completed line to Bagdad being a notable example.

While the agriculture carried on is primitive, and industries are chiefly confined to the hand-weaving of carpets, rugs, silks, cotton stuffs, mohair cloth, and the like, the export trade of this part of the world is considerable and comprises many articles in wide demand in the United States, such as the Oriental textiles and rugs just mentioned, raisins, figs, dates, tobacco, olives and olive oil, raw silk, mohair, wool, hides, and various drugs and gums. The import trade of Turkey is equally diversified, and American manufacturers are already beginning to make considerable headway in this important market. The principal

obstacle, hitherto, has been the lack of direct steamship facilities, but this is likely to be overcome after the war by the increased tonnage of the Greek mercantile marine and the larger traffic between America and Mediterranean ports generally—which will tend to divert more tonnage to this route.

While Constantinople is the first strategic trade center for the Ottoman Empire, lack of adequate overland communications between

*Principal Trade
Centers of Turkey*

different centers of population renders it necessary in this market to have several distribution

points. At Constantinople the American Chamber of Commerce for the Levant has its principal headquarters and there are many United States firms represented in the membership rolls of this organization. Another important trade center is Smyrna, on the eastern shore of the Aegean Sea, with railway connections to many of the important towns in Asia Minor and with the Bagdad Railway. Still more important is Beirut on the coast of Syria and not far from the ancient city of Damascus. This is the strategic center for a region of considerable extent, which was formerly occupied by the Phœnicians, the most famous traders of antiquity. The American Chamber of Commerce for the Levant has branches at both Smyrna and Beirut. Bagdad

is also an important center for Mesopotamia and the trade between Turkey and Persia.

The Strategic Trade Centers of Southern Russia

Beyond the Dardanelles, Constantinople and the Bosphorus, lies the Black Sea, on the shores of which are situated two important gateways to southern Russia. Of these the first is Odessa, the port of the rich agricultural regions of southern and central Russia, including the important trading center of Kiev. Kharkoff, the trading center of the mineral district of the Donetz Basin, is not far from Kiev. The second gateway is Batum, the Black Sea port for Tiflis and for the oil region of Baku.

The region reached by these two ports comprises some of the richest industrial districts in the world and possesses vast possibilities for further development. In the Caucasus district alone there are two cities of more than 300,000 inhabitants, and nearly a score of over 20,000. The Baku oil fields rank as the second in the world and require great quantities of oil-drilling equipment. This is also the chief cotton-producing region of Russia and offers a market for cottonseed oil mills and other equipment. Tobacco is another important staple, and many millions of acres are planted

to cereals and other crops. The district buys large quantities of American farm machinery, and its requirements as a whole include a wide variety of manufactured lines. If, after the war, the Dardanelles are opened to international commerce without restrictions, Odessa and Batum are likely to become ports of far more importance than ever before.

North Africa

The whole of northern Africa is served directly by the Mediterranean route mentioned at the beginning of this chapter and belongs, therefore, to the same commercial region—as least so far as American exporters are concerned—as the countries to the north and east of the Mediterranean.

Egypt

Of the North African markets Egypt is the second in point of imports. The valley of the Nile was the seat of one of the oldest civilizations in the world and was for centuries the granary of Byzantium. Wheat is still cultivated on 50 per cent. of the fields of Upper Egypt and on 30 per cent. of those in the Delta. Cotton is, however, the principal commercial crop of modern days—cotton and cottonseed representing 85 per cent. of the exports. While the per capita buying power of the country is low, the total imports are

very considerable—\$139,000,000 in 1913—and represent a wide diversity of requirements. Cotton cloths were imported to the value of \$18,000,000 and machinery to the value of \$4,500,000, of which \$1,500,000 were agricultural. As the country is almost self-sustaining in the matter of foodstuffs, the greater part of the imports were in lines that could be supplied by American manufacturers; yet imports from the United States average only \$2,500,000 per annum, a relatively insignificant total.

The best trade centers for Egypt are Cairo, the largest city in Africa and an important tourist resort, and Alexandria. The former is better for those lines requiring retail stores, such as footwear, and the latter for import agencies.

French North Africa and Morocco

Those who have not made a study of the subject are usually surprised to learn the particulars of the wonderful work accomplished by France in her African colonies. Algeria is literally a slice of France transported to Africa, save for the fact that the French are less than a tenth of the total population of 5,500,000. The railroads and highways are built as substantially as in France. The street scenes in the larger cities remind one of France

at every turn. The entire country is a vineyard, grapes doing well everywhere. Altogether more than 425,000 acres were planted to grapes in 1913, the yield of wine amounting to upwards of 163,000,000 gallons.

Imports of the colony aggregate nearly \$150,000,000, and exports about \$110,000,000. Of the total imports France supplies about 70 per cent. and the United States considerably less than one per cent. However, part of the imports from this country come via Marseilles and are reported as French. American farm implement manufacturers do a fair business in Algeria, and the market—despite the preferential tariff in favor of the mother country—is worth more attention than it usually receives.

The best trade center is Algiers, with Oran and Constantine as minor distributing points.

Tunis is fast becoming a second Algeria, the French pursuing the same thorough policy in the development of that colony as in Algeria. The city of Tunis is the only trade center of importance.

Morocco, while nominally independent, is gradually coming under the domination of the French, and as the railroad system is extended into the interior, that immensely rich land will be opened up to civilization and international commerce. Tangier is at present

the only trade center to be considered, although the interior is served by several small ports along the coast. Fez, one of the two capitals, can now be reached by railway from Casablanca—while a railway from Tangier has been projected.

In Algeria and Tunis, American tractors and gang plows are well-known and small plows from this country sell well. For both of these colonies, and all of the French colonial empire, a well-equipped agency at Marseilles might be better in many lines than local agencies, owing to the preferential duties which in some lines are prohibitory to direct importations.

Minor Mediterranean Markets

The British possessions of Gibraltar, Malta and Cyprus, and the Island of Crete—which is under the joint control of the allied Powers—are markets that can best be handled separately by those whose lines would be salable in them. The principal trade center of Malta is Valetta, that of Cyprus is Nicocia, and of Crete, Canea. The Italian colony of Libya imports a limited quantity of American goods, chiefly through middlemen in Italy. The principal trade center is Tripoli, which formerly gave its name to the country when it was a dependency of Turkey.

V

Asia

THE completion of the Panama Canal gives the American shipper four routes to Asia in place of three which were available to him before.

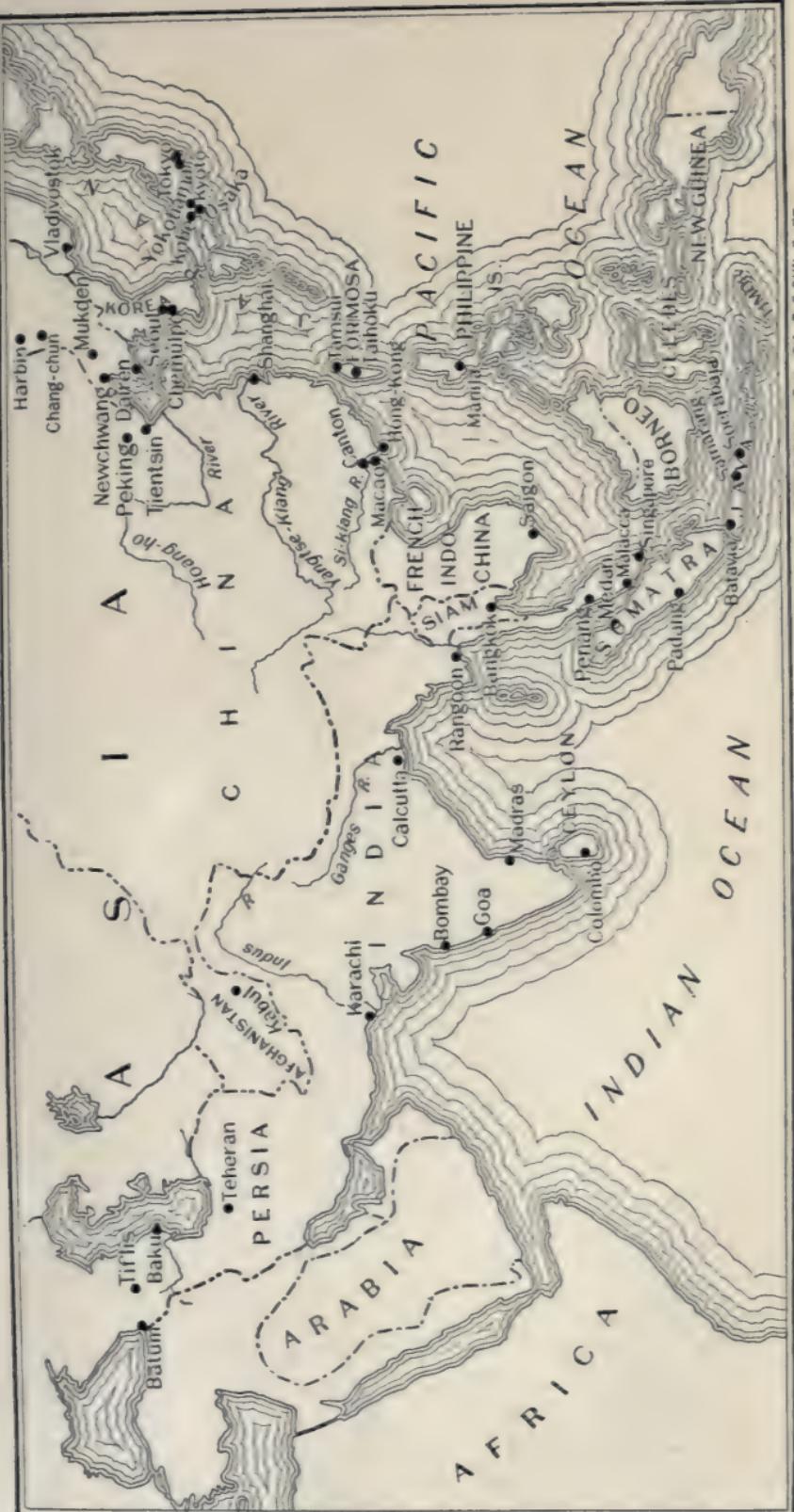
The usual freight route was formerly the Mediterranean-Asiatic route described briefly at the beginning of Chapter IV. By following this through the Suez Canal and the Red Sea the steamer first reaches India and Ceylon, then Singapore—



With the completion of the Panama Canal there are now available four trade routes to Asia

the great maritime junction of the Far East —then Hongkong or Manila, Shanghai, and Yokohama, in the order named.

The Panama route approaches these ports from the opposite side of the world and is 3,768 miles shorter between New York and Yokohama, and 1,876 miles shorter between New York and Shanghai. That means a saving of 15 days to the former port, for a steamer averaging ten knots an hour, and seven days to the latter. From New York to Hongkong,



THE STRATEGIC TRADE CENTERS OF ASIA

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This vast continent, with a total population of more than 850,000,000, can be covered through branches or agencies at comparatively few points.

however, the Suez route is 18 miles shorter and to Manila the saving via Panama amounts to only 41 miles. Panama, therefore, will supersede Suez only with respect to North China and Japan, shipments to the rest of Asia going via the Mediterranean as before.

The third route is the all-water route via the Cape of Good Hope and the fourth is that via the transcontinental railways and directly across the Pacific. The Canal will cause the last to be largely displaced by direct steamers between Yokohama and New York.

The Markets of China and Manchuria

For more than a century "the China trade" has been synonymous—in the popular imagination—with vast and mysterious possibilities of sudden wealth. Today, while the mystery is gone, most writers on the subject agree that in the future China is destined to become one of the greatest buying markets in the world. Its huge population, for the most part obedient and industrious; its vast resources in iron, coal and the other requirements for great industrial development; its incomparable river system of inland transportation and slowly growing network of railways—these and other factors point to a wonderful increase in China's importance in international trade. Unfortunately, one adverse influence

after another has postponed the era of reorganization, until at present no one can safely say when it is likely to begin. Meanwhile, the network of railways is being extended, slowly and haltingly at times, but in the main steadily; local manufactures to supply native requirements in such lines as cotton goods and flour are gradually increasing; and the huge country is slowly endeavoring to readjust itself to the altered conditions that confront it.

The principal exports are silk and silk goods, tea, skins and hides, beans and bean cake (chiefly to Russia and Japan), raw cotton (to Japan), tin, sesamum and other seeds, straw braid and wool.

The chief imports are cotton goods to the value of from \$100,000,000 to \$150,000,000 annually; bags; metals and minerals (chiefly partly manufactured iron and steel, such as bars, hoops, sheets, plates, etc.); rice, cigarettes and tobacco; dyes (largely from Germany prior to the war); fish (from Japan); flour, machinery, matches, kerosene, sugar, timber, railway material and motor cars.

The Standard Oil Company has been established at all the treaty ports of China for many years and has developed its trade there in a highly intelligent and systematic way. The British-American Tobacco Company has pushed the trade in cigarettes through

salesmen, many of whom are Americans, in a most enterprising manner; while the Singer Sewing Machine Co. has native agents throughout a large part of the interior of the country and has made the sewing machine almost a household necessity. In cotton piece-goods the United States has for many years enjoyed a considerable share of China's large trade, but Japanese competition and the growth of domestic manufactures in this line have curtailed our exports considerably of late. The situation in this field is too complex for a brief analysis, and every student of the subject should read the able reports by Ralph M. Odell and other agents of the Department of Commerce. In miscellaneous manufactures China offers a market for many lines, particularly machinery of all kinds, labor and time-saving devices, hardware, enameled ware, chemicals, electrical supplies, lamps, soap, small metal wares of low price, and many other goods formerly supplied largely from Germany and Continental Europe.

The famous Yangtze-kiang and its tributaries supply China with 10,192 miles of navigable inland waterways, of which 1,948 miles are available for steamers, 2,755 for steam launches and the remainder for junks. The Hoang-ho and other rivers bring the total length of the waterways available for junks to

*Trade Routes and
Strategic Trade
Centers of China*

17,504 miles. The railways now in operation aggregate some 6,000 miles, internal disturbances having interrupted construction work and the projection of new lines for the present. There are also many costly national highways, most imposing in their construction, but now sadly out of repair, and caravan routes have existed from time immemorial to points in the remote interior.

The strategic trade centers of the country are the treaty ports—35 in China and 11 in Manchuria—and of these the most important are those situated near the mouths of the largest rivers. Thus Shanghai, the gateway to the Yangtze Valley, is the greatest port in China, handling upwards of 42 per cent. of the country's foreign trade in 1914. Shanghai is the New York and the New Orleans of China—if we liken the Yangtze to the Mississippi, which resemble each other in many ways. It is pre-eminently the best center from which to direct the trade campaign for the vast Yangtze Valley, which reaches so many large cities that the mind becomes confused in trying to recall them. An American Chamber of Commerce was recently organized there.

South China has for its metropolis the great city of Canton, on the Si-kiang, or West River.

On islands close by are the British port of Hongkong and the Portuguese port of Macao. Hongkong is usually selected as the strategic trade center for South China, but there are many who maintain that Canton is superior as a point for the development of trade, as it is the headquarters of the great native trading houses, while Hongkong is primarily a jobbing or wholesale center. All German trading houses at Hongkong have been liquidated since the war.

The port for the valley of the Hoang-ho, or Yellow River, is Tientsin, which is also the port of Pekin, with which it is connected by railroad.

Commerce and Trade Centers of Manchuria

North of Pekin the mountainous and semi-arid region known as Mongolia stretches from the westernmost confines of China almost to the shores of the Yellow Sea, cutting the fertile and well-watered country to the southward off from the northern part of the continent, save for caravan routes across the passes and deserts. Beyond and around the easterly end of this barrier lies another region of great fertility and large population called Manchuria. The hold of China on Manchuria has long been weak and the war between Russia and Japan was fought largely

to determine which of those rival powers should virtually possess it. By the Treaty of Portsmouth, Japan secured control of the South Manchurian Railway from Dairen, its terminal on the Liaotung Peninsula, to Changchun, a distance of 438 miles, while Russia retained the 150 miles from Changchun to Harbin. This placed the important trade center of Mukden (Fengtien) within the Japanese sphere of influence and Harbin within the Russian.

There are three railway systems in Manchuria: the Japanese (South Manchuria Railway) from Dairen to Changchun, with several branches; the Russian (Chinese Eastern Railway) from Changchun to Harbin, where it joins the main line from Vladivostok to Moscow; and the Chinese lines, one (North China Railway) from Newchwang to Mukden, the other a spur 87 miles long from Changchun to Kirin. The three systems give Manchuria the best railway communications of any part of China and direct connections with the railways of Siberia, of China proper and of Chosen (Korea). It is worthy of note in this connection that Manchuria with a population of 19,290,000 is credited with 17 per cent. of the entire foreign trade of China, which has a population of 422,693,000.

The best trade centers for Manchuria are Mukden and Harbin, if responsible local agents can be secured. Several of the great European trading houses that operate so extensively in the China trade have branches at Newchwang. Dairen is the best port of shipment for Manchuria, as the harbor of Newchwang is ice-bound from December to March. For Harbin, an equally good route is via Vladivostok.

The Markets of Japan, Chosen and Formosa

Japan

The fact that Japan is well within the radius of ocean traffic destined to be diverted to the Panama route renders it a market that should be carefully studied by every American business man who is interested in foreign trade. It is probable that the splendid liners of the Toyo Kisen Kaisha and Nippon Yusen Kaisha will come to New York when the Canal is again permanently open. The establishment of direct steamship communication between Japan and the manufacturing States near the eastern seaboard of the United States should result in a marked increase in the volume and variety of our exports to that market.

In 1914 the exports from Japan amounted to \$294,368,527, of which the United States

took more than any other nation—\$97,876,425. Of this total the chief items purchased by the United States were: silk (raw, \$66,309,510; manufactured, \$4,115,049); green tea, hemp and straw braids, cotton goods, copper, porcelain, hats and mattings. In return we exported to Japan goods to the value of \$48,191,997, of which raw cotton accounted for \$26,875,299; the other principal items being kerosene, wheat, machinery and various manufactures of iron and steel. The complete list of Japanese imports from all countries comprises literally hundreds of articles and lines made or produced in the United States. It is, of course, not to be expected that American firms can capture the whole of this trade, but their failure to get practically any of it, save in a few lines, appears to be due to lack of real effort rather than to severity of competition, or to any disinclination of the Japanese to purchase American goods.

Since 1904 the number of factories in Japan has increased from 4,000 to 9,403, and the number of factory operatives from 526,215 to 916,252. This means a somewhat increased domestic competition in a few lines, but, on the other hand, the demand for machinery, modern mining equipment and industrial supplies generally is very much larger.

Chosen (Korea)

Since the annexation of Chosen (formerly Korea) by Japan its railway system has been greatly extended and improved, and considerable sums have been expended by the Japanese Government in public works, especially at Seoul. The principal industry is agriculture, rice being grown intensively for local consumption and for export to Japan; other products being soya beans, tobacco, silk cocoons, ginseng and cotton. Mining is carried on extensively, chiefly under concessions granted to foreigners by the Korean government prior to annexation. The largest mines are the Unsan gold mines, managed by an American company, and employing about 2,000 laborers and some 70 officials and experts, most of whom are Americans. The second largest enterprise is the Suan gold mine, conceded to a British company, but leased to an American company which employs about 40 officials and 900 laborers. The Chiksan Mining Co. is another prosperous American enterprise. Besides the gold mines there are also copper and iron mines of some importance.

Imports in 1914 amounted to \$31,489,766, and exports (exclusive of gold) to \$17,125,616. Japan took about seven-eighths of the exports and supplied nearly 65 per cent. of

the imports. The United States supplied 9½ per cent., chiefly petroleum and machinery.

Formosa

In Formosa (Japanese name, Taiwan) the exports in 1914 amounted to \$29,242,774, and the imports to \$26,340,757. The principal exports are tea, of which the United States took 92 per cent. (although part of the shipments were via Japan); camphor, of which about half of the exports usually go to this country; camphor-ice, rice and sugar. Of the imports Japan supplied \$19,859,816, part of which were foreign made goods re-exported. The share of the United States shipped direct was only \$398,646, which, however, was less than normal. The country is only partially developed, some portions being still inhabited by savage tribes.

Yokohama has been the principal center for the foreign trade of Japan since it was first opened to the world by Commodore Perry in

*The Trade Centers
of Japan* 1859. It is the first port reached by steamers from America and all of the foreign trading houses have their head offices for Japan there. It is the seaport for Tokyo, the capital, a city of more than 1,800,000 inhabitants, which is only 18 miles distant. It is also the best port for shipments to all points in northeastern Japan.

Kobe, which now surpasses Yokohama in the volume of its foreign shipping, is the best center for southwestern Japan. It is close to the great cities of Kyoto and Osaka, and contains branches of many large foreign trading houses. Kyoto is the center of Japan's famous art industries, while Osaka is the chief manufacturing city in the empire and in the Orient, with a population of more than 1,200,000. Osaka is also a great native trading center, and firms whose lines are adapted for a wide sale will find it advisable to be represented there.

The trade center for Chosen is Seoul, the capital. Chemulpo was formerly the place where most of the foreign firms were located, but has recently declined owing to the increased receipts at Seoul itself and at Fusan, which is much nearer to Japan.

The principal city in Formosa (Taiwan) is Taihoku, the capital, of which Tamsui is the seaport. Much of the trade for this island, however, is handled at Kobe.

The Markets of India and Ceylon

While Japan and Northern China can be best reached via the Panama Canal, India is nearer via Suez, and is the first great Asiatic market reached after leaving the Red Sea. In area it is equal to all of Europe with the

exception of Russia, and its population of 315,000,000 speak a great number of different languages and dialects. Agriculture is the occupation of the mass of the population, and is practiced in a very primitive manner by peasant farmers having, as a rule, small holdings. India is one of the world's great wheat producers. Manufacturing is a recent development, but is on the increase, as the Indian makes a good factory laborer.

Exports in 1913-14 aggregated \$807,533,000, of which the United States took \$70,893,000. The principal exports were raw jute, jute gunny bags and cloth, hides and skins, raw cotton, oil seeds, wheat, tea, opium, lace, and wool. The imports in the same year amounted to \$594,517,000—India being one of the countries that normally export more than they import. Of this total the share of the United States was \$15,542,000, which was one twenty-third as much as the imports from Great Britain, somewhat more than a third of those from Germany, half as much as came from Java, about the same as the share of Japan, and slightly more than the share of Belgium and Austria-Hungary.

The disappearance of Germany and Austria from this list of competitors—which may well continue for some time after the war is over—affords an unusual opportunity

to American manufacturers to double or treble their trade in this market. It is idle to anticipate that American goods will displace English lines where the latter have been well established, but the trade secured by Germany was largely in manufactured articles such as we might supply.

In farm implements, irrigation and dairy supplies, and machinery of many kinds India offers a market that is likely to develop steadily for many years. Singer sewing machines, made in the firm's British factory, are sold in all parts of India through native dealers. In hardware lines the country offers an immense market for lamps, household utensils, cook stoves, metal bedsteads, and a wide variety of low-priced wares that can be sold successfully to the natives. Once a line is established in popular demand its sale is assured, for the native clings to what he knows and likes. The automobile trade of India is increasing rapidly and the market, as a whole, absorbs several million dollars' worth of cars annually. The demand for low-priced cars of good quality has greatly favored several well-known American manufacturers.

Ceylon, in proportion to its population, which is only 4,262,000, has a larger foreign trade than India. Exports in 1914 amounted to \$71,172,253, of which the United States

took \$10,200,612—principally rubber, tea, copra, cocoanut oil and plumbago. Imports were valued at \$57,414,047, of which this country supplied only \$742,209—although probably an equal amount was imported indirectly. Imports normally include a wide variety of manufactured articles that this country could supply, of which the share of Germany before the war was twice that of the United States.

The first great Indian port as the country is approached from the westward is Bombay. The city is entirely an English creation, and

is the trade center for the immense Bombay Presidency, central India and the western part

of Haidarabad. Most of the Indian cotton crop is grown in this region, and the majority of the native cotton mills are near Bombay. To the northward is the important port of Karachi, which is the gateway to the rich valley of the Indus, including the Punjab, the Northwestern Provinces and Kashmir—a densely inhabited part of the Empire with many famous cities.

On the eastern coast, situated on one of the many mouths of the Ganges, is Calcutta, another trade center created by the British and the greatest commercial metropolis of India. Its hinterland includes the Provinces of

*The Trade Centers
of India and Ceylon*

Bengal, Eastern Bengal and Assam, the United Provinces of Agra and Oudh, and, in fact, the entire valley of the Ganges and its great tributary, the Brahmaputra—a total population of over 150,000,000. In addition to its importance as a trade center, Calcutta has extensive jute and paper factories.

To the southward on the eastern coast is Madras, the gateway for the lower part of the peninsula. For Burma, which is situated across the Bay of Bengal from India proper, the great trade center is Rangoon. Colombo is the only important town for the foreign trade of Ceylon, besides being a port of call for all steamers plying between the Mediterranean and the Far East.

In many lines valuable trade connections for India might be effected at London with the great British trading houses having branches or selling representatives throughout the two colonies.

Straits Settlements and the Federated Malay States

Fifty years ago, when the traffic of the Far East was carried on mainly by means of clipper ships and other types of sailing vessels, mariners chose the Sunda Straits between Sumatra and Java as the best route from the China Sea to the Indian Ocean, thus making

Batavia the greatest port in those waters. The advent of the steamship and the completion of the Suez Canal made the Strait of Malacca the shortest passage and created one of the greatest seaports in the world at Singapore—an undeveloped island at the southern mouth of the strait, which Sir Stamford Raffles annexed to the British Empire in 1819 in order to command the Straits.

The Federated Malay States are small states, nominally ruled by a native Sultan, but British-protected and administered. Kuala Lumpur is the principal town of the "F.M.S."

Exports from Singapore in 1914 aggregated \$189,449,454, chiefly tin, spices, gums, rubber and copra. By no means all of this was produced within the colony, much of it being brought there from adjacent countries for reexport, as Singapore is an absolutely free port.

Exports from the Malay States aggregated \$69,806,054, consisting of tin and rubber, with about \$1,500,000 of copra. Imports at Singapore were \$221,908,561 and for the Malay States \$40,953,881. Probably part of the trade is counted twice in these statistics. The share of the United States in the trade of the Straits Settlements was \$19,616,753 of the exports, and \$3,278,718 of the imports.

Economically, this peninsula is one of the

richest regions in the world, modern industrial requirements putting a premium on its two chief products—rubber and tin—while its minor staples such as spices, copra, gums, sago, tapioca, rattan, gambier, etc., are in steady demand. The market, therefore, has a firm foundation upon which to build a large import trade, and should be carefully studied by American manufacturers. The exclusion of Teutonic goods has created a scarcity in many manufactured lines that can readily be supplied by this country.

Singapore is the best strategic trade center for the whole of the peninsula, and offers many advantages as a center for all of the adjacent countries, including the Dutch East Indies, Siam, French Indo-China and the various minor insular possessions belonging to the British Empire in that part of the world. It is connected by railway with all points along the western coast of the peninsula, as far as Penang.

The other ports of the "Settlements" are Malacca, originally settled by the Portuguese, and Georgetown on the island of Penang, off the western coast of the peninsula, some 360 miles north of Singapore. Malacca has declined in importance, but Penang, though far out-distanced by Singapore, is an important transshipping point and market for

parts of Sumatra and the northern states of the Malay Peninsula.

The Dutch East Indies

Of the vast archipelago situated south of the continental mass of Asia almost the whole (except the Philippines, and portions of Borneo, New Guinea and Timor) belongs to the Netherlands, the total area being fifty-eight times as great as that of the mother country, and the total population over 40,000,000. The island of Java, while not the largest in the group, is the most valuable, its dense population possessing an ancient civilization and habits of industry that have given it a high degree of cultivation. The other large islands are Sumatra, Borneo—of which the northern part belongs to the British Empire—and Celebes. Of the minor islands the most important commercially are the Moluccas, or “Spice Islands,” from one of which the world’s supply of nutmegs is almost entirely drawn; and the Islands of Banca and Billiton, famous for their rich tin mines. Java is renowned the world over for its coffee, and Sumatra for its tobacco; all of the islands contribute to the world’s stock of spices, tropical gums, oil-bearing seeds and nuts. Java is one of the largest producers of cane sugar in the world, while Sumatra is

also a prominent source of supply for rubber—the United States Rubber Company having extensive plantations there in charge of American officials.

Total exports for 1914 amounted to \$273,822,000, and imports to \$171,705,722. The share of the United States in the import trade of the colony was \$3,423,705, as compared with \$36,000,000 from the Netherlands, \$21,500,000 from the United Kingdom, \$5,500,000 from Germany and \$7,000,000 from the Straits Settlements. Actually, the sales of American goods were no doubt much larger, as part of the totals reported were re-exports. American motor cars, sewing machines, typewriters, petroleum, canned goods and flour were sold successfully. In most important lines, however, the share of the total import trade secured by the United States was very small: \$9,000 out of cotton goods imports aggregating \$37,010,990; \$23,275 out of imports in lamps amounting to \$640,900; \$100,000 out of imports of agricultural machinery aggregating \$2,312,085; and \$50,000 out of imports of miscellaneous machinery aggregating \$9,544,880. The reasons for our failure to secure a share in the cotton-goods trade and in other lines, of which those cited are only examples, have been exhaustively studied by special agents of the De-

partment of Commerce. The trouble appears to be, in the main, failure to study the requirements of the market and to push the trade there systematically. It is a rich market that we have largely neglected.

Batavia, the capital of Java, is well located as a strategic center for the trade of the entire region. Many foreign firms, however, are establishing main offices at Soerabaya,

*Trade Centers of the
Dutch East Indies*

which is closer to the sugar-growing districts and a center for much of the trade with

Borneo, and especially with the islands to the east. Macassar, in the Celebes, is rapidly growing in importance.

On the island of Sumatra, Padang, long the main trading center, has yielded place to Medan, near the east coast, in the center of a rich tobacco, rubber and cocoanut district.

For some lines it is possible that satisfactory distributing arrangements for the colony can be effected through trading houses at Rotterdam and Amsterdam.

**Other Markets and Trade Centers
in Asia**

Aden

Nearly half a century ago American sailing vessels inaugurated a trade in cotton piece-goods along the shores of the Red Sea that

has never since been lost, although in recent years it has declined somewhat as a result of keen European competition. Aden is the strategic trade center for this region, which includes Arabia and the African coastlands as far south as Zanzibar. American motor cars have also obtained a foothold in this region, and the market as a whole has proved to be a promising one for many other lines, its total import trade amounting to more than \$18,000,000.

Siam

Siam at the outbreak of the war was about to enter upon an important era of railway development, the proposed lines being financed by British capital. American firms are now supplying the materials for continuing this work, which will open up valuable districts in northern Siam to commercial development. A line connecting Bangkok with the railway system of the Federated Malay States will make it possible to reach the Siamese metropolis by rail from Singapore and Penang. Imports in 1914 aggregated \$29,036,583, of which this country supplied about \$1,000,000, but this small share now seems likely to be greatly increased and the needs of the market should be carefully studied. Bangkok is the trade center for the

entire country, although an agency at Singapore could handle lines capable of only a limited sale.

French Indo-China

American trade with French Indo-China has hitherto consisted chiefly of petroleum, lumber, flour and small quantities of such manufactures as sewing machines, typewriters, gramophones, and hardware. Saigon is the best trade center, not only for the colony of Cochin China, in which it is situated, but for the protectorates of Cambodia, Laos, Annam and Tonkin, and the leased territory of Kwangchow. For most lines, however, selling arrangements through the great colonial trading houses of Marseilles would probably produce more satisfactory results than to attempt to trade direct, owing to tariff restrictions and the difficulty of making prompt shipments direct.

Persia

Persia is virtually an unknown country to American exporters, our trade there in 1913 amounting to only \$83,349 out of a total import trade of \$49,946,763. Germany has built up a trade of nearly a million dollars a year by parcel post—a plan which American manufacturers might imitate. The lack of railways has thus far kept this otherwise

rich country—in ancient times one of the greatest in the world—from developing as it should. The best American route for Persia is via Baku, on the Caspian Sea. Teheran, the capital, is not far from the Caspian, and is the best Persian trade center. For most lines, however, a firm handling the trade of the Batum-Tiflis-Baku district of Southern Russia could readily look after the trade in Persia as well.

Asiatic Russia

For Asiatic Russia the port of Vladivostok, or the city of Harbin—already mentioned in this chapter—are good trade centers. Moscow houses also cover the entire Siberian railway system and in some lines can produce better results than local agencies, as they have their own connections at all important points or send out salesmen at regular intervals who cover the entire region.

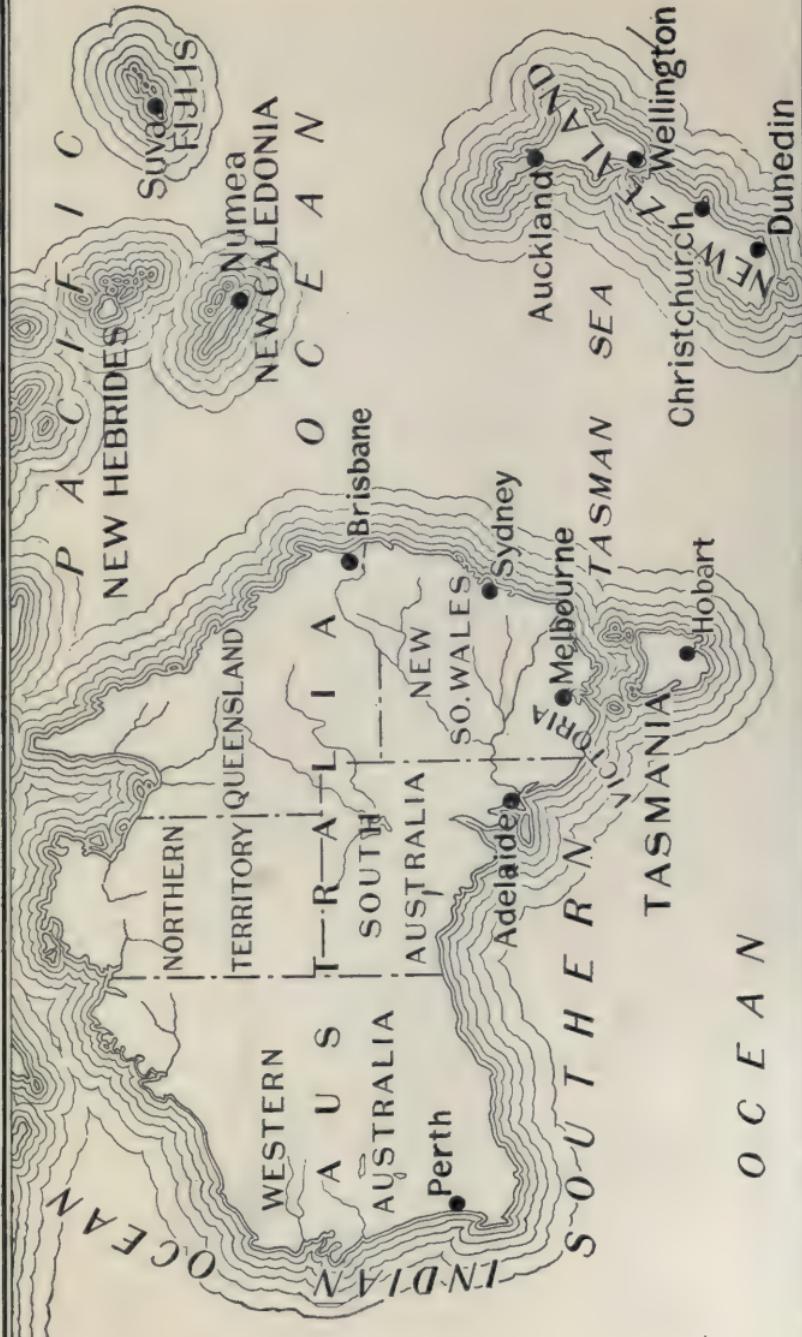
Minor Markets

The small French possessions in India can best be reached through colonial houses at Marseilles. The Portuguese colonies of Goa in India, Timor in the East Indian archipelago and Macao in China can be covered most effectively through the colonial trading houses at Lisbon. These specks on the map

of Asia are relics of the trading "factory" system of the seventeenth and eighteenth centuries.

The trade of Afghanistan can best be handled through houses in India as communications are primitive. It is reached by several caravan routes, merchandise being transported chiefly by camels. Kabul and Kandahar are the most important towns.

Two leased territories in China merit a word in passing. Kiaochow, before the war the center of a German sphere of influence extending inland for some thirty miles from the shores of the bay of the same name, is likely to be important as an outlet for the rich mineral districts of Shantung. German capital has improved the port and constructed a railway to the interior, but owing to sandbars and fogs the international trade of the port is not large. The possession is at present in the hands of Japan and its ultimate disposition will depend on the outcome of the war. The British have a similar leased territory at Wei-hai-wei, about 14 miles east of the port of Chefoo. The lease covers an area of about 288 square miles. Although a valuable naval station the port is not of much commercial importance at present.



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STRATEGIC TRADE CENTERS OF AUSTRALASIA AND THE SOUTHERN PACIFIC

For most lines it is better to have selling agencies at each of the Australian state capitals, and at several points in New Zealand and the South Sea Islands.

VI

Australasia and Africa

AUSTRALIA and Africa, with the islands adjacent to them, contain markets of peculiar interest to American manufacturers at the present time. These countries and colonies are for the most part non-manufacturing—importing a large part of their requirements in manufactured lines. Some of them, particularly in Africa, have been very largely neglected in the past, despite the fact that their economic and commercial development has been advancing with astonishing rapidity. Parts of the “Dark Continent” that 25 years ago were still marked in the atlases as “unexplored” and inhabited solely by savages are now buying electric lighting plants and telephones.

The Commonwealth of Australia

Situated in the great southern water hemisphere of the globe, Australia and New Zealand are the most remote and isolated of the world’s civilized communities. Across the Indian Ocean it is 4,500 miles from the most western point in Australia to the coast of Africa, while South America is distant 8,500 miles to the eastward across the Pacific. The

area of Australia, including Tasmania, is 2,974,581 square miles, or almost identical with that of the United States (2,970,230). The continent extends through 33 degrees of latitude—equal to the difference between Boston and Colon—so that the climate ranges from tropical in the North to that of southern England in Tasmania. The seasons are the reverse of ours, and the prosperity of the country depends largely upon its annual rainfall, which varies widely in different sections. Over the low plateau of the interior, comprising three-fourths of the area of the continent, the average rainfall is less than ten inches, while in the district best suited to sheep raising droughts are not infrequent. The country was first settled by the English in 1788 and, after more than a century of separate existence, the colonies united, on January 1, 1901, to form the present Commonwealth. As an English-speaking race, facing similar frontier conditions, the Australians resemble in many ways the sturdy Anglo-Saxon element that first settled the United States, and the general characteristics of this great market are those of our own pastoral, agricultural and mining States.

The staple industries of Australia are stock-raising, agriculture, mining and lumbering, while manufacturing in a variety of diver-

sified lines is steadily increasing. The country is the largest producer of wool in the world, its flocks of sheep averaging above 90,000,000 head, and its wool exports amounting to over 600,000,000 pounds annually, valued at upwards of \$125,000,000. Formerly Australian wools came to market largely via England, being distributed at London auction sales. For some time prior to the war, however, the tendency was toward direct shipments to the Continent, the United States and other consuming markets. Other pastoral exports include frozen and preserved mutton and beef, sheepskins, tallow and butter, of which large quantities are now supplied to the English market. The principal agricultural staples of the country are cereals and sugar—the latter being raised in the tropical state of Queensland.

In mineral wealth Australia is one of the richest countries in the world. Discovery of gold in 1851 gave the country its first real immigration. There are now several important fields in process of exploitation, besides large silver-lead-zinc mines, rich deposits of copper, and coal seams that are said to contain more of that fuel than all the coal fields of Great Britain. Iron also exists, but has only recently begun to be worked on a considerable scale.

In western Australia there are many mil-

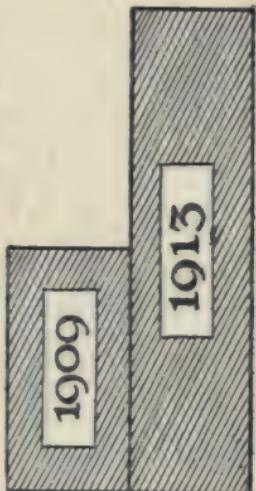
lion acres of jarrah, karri and other hard-woods, and large areas in New South Wales are also covered with valuable forest. With these natural resources to contribute to its buying power, Australia is one of the most important markets in the world.

The Panama Canal shortens the distance between New York and Sydney by 3,932 miles, or nearly 16 days steaming at ten knots per hour. This will be a favorable factor for the expansion of our trade with Australia, while the elimination of German competition has already resulted in a sharp increase in the volume of orders, besides bringing a swarm of Australian buyers to America. Another factor that has greatly promoted American trade in Australia is the similarity between Australian frontier life and conditions existing in many parts of the United States, 20 to 50 years ago. There, as here, frontiersmen have had to chop down the primeval forest and clear the land of stumps preparatory to farm cultivation. American axes and cross-cut saws at a very early date proved peculiarly suited to Australian requirements and the experienced woodsmen for years would have no others. American stump pullers have cleared the land in Australia as they did here, and American farm implements are widely popular. New needs, as the country de-

veloped, also resembled ours. In recent years our automobiles have scored a similar triumph, while American player pianos, phonographs and film cameras have won a wide reputation.

Between 1903 and 1913 Australia's total imports increased from \$184,000,000 to \$366,000,000. Imports from the United States have kept pace with this remarkable growth, increasing from \$29,000,000 (in round numbers) in 1909 to more than \$57,750,000 in 1913—a gain of nearly 100 per cent. in four years. It would be tedious to enumerate the lines suitable for the Australian market—the list would include as many items as one for the State of Ohio. For its population it is the best market for American goods in the world, its five million people buying more than twice as much from America's factories as the four hundred and twenty-two million of China, while their per capita consumption of manufactured goods is among the largest in the world.

The great trade center of the Commonwealth is Sydney, which now ranks as the fifth



Our exports to Australia
have nearly doubled
in four years

port in the British Empire. Here transactions can be effected, not only for all of Australia, but for New Zealand and Oceania as well.

*Strategic Trade
Centers of Australia*

Australia, however, is peculiar in that it has several large cities, each self-centered, each dominating its adjacent district, and each separated rather widely from all of the others. Accordingly, for those whose trade will warrant it, the best plan is to establish a branch or selling agency at each state capital—at Sydney for New South Wales, Melbourne for Victoria, Brisbane for Queensland, Adelaide for South Australia, Perth for Western Australia, and Hobart for Tasmania. Each city can cover its own state more efficiently than can be done by agencies located at the other capitals, and each is reached by many steamship lines, so that direct shipments are equally practicable for all.

New Zealand

In the Dominion of New Zealand many of the factors that have given so substantial a basis to the prosperity of Australia are accentuated. The rainfall is certain and well-distributed, resulting in a large development of the pastoral industry and of dairying, butter, cheese and meat products being exported to the mother country in large quantities. The

export of wool is large and increasing rapidly, while other special products are coal, kauri gum, phormium fibre and timber. The total exports in 1914 amounted to \$126,454,661, and the imports to \$106,362,686. Of the latter, the share of the United States was \$8,915,434, the largest item being automobiles and parts to the value of more than \$1,350,000.

The trade with New Zealand resembles that with Australia so closely that many of the remarks made regarding the Commonwealth apply to the Dominion also, especially those relative to the diversity of lines suitable for the market.

The best trade center for New Zealand is Auckland, but there are several large cities that deserve consideration if more than one branch or agency is to be established. On the North Island, in addition to Auckland, Wellington is an important trade center and the capital of the colony. On the South Island the trade centers are Christchurch and Dunedin.

The Islands of the Indian and Pacific Oceans

Between Australia and the Malay Archipelago are a number of large islands and many small ones that make quite a brave showing on the map but are of very limited importance

commercially. There are also many groups of small islands in the wide waste of water called the South Pacific Ocean, and one or two isolated insular possessions in the Indian Ocean that merit a passing mention. As a rule, those whose lines would be suited to these remote and more or less inaccessible regions will find it worth while to establish an agency connection by means of correspondence. This was done, to the writer's knowledge, by an automobile concern in the case of the Fiji Islands, with the result that a small but satisfactory business was established; a number of cars were sold, and there is a prospect of selling several more.

The French have a number of islands in the Pacific, of which Tahiti is the most important. Papeete is the chief town. New Caledonia, another French insular possession, has been stunted in its commercial development by being made a penal colony. No convicts have been sent there since 1896, and its prospects are now more encouraging. Noumea is the chief town. Germany also had a number of groups of islands in the Pacific, all of which are just now controlled by the Australians. Samoa, one of the largest groups, was under the joint control of Great Britain, Germany and the United States. Apia is the principal port and there are quite a number

of American firms there. The Fiji Islands, a British possession, are of considerable commercial importance, Suva being the principal town.

In the Indian Ocean, some 500 miles east of Madagascar, is the important island of Mauritius, a British colony. Port Louis is the capital and chief town, and the trade is very considerable, the imports amounting to about \$5,500,000 and the exports to about \$10,000,000. The island of Réunion, also in the Indian Ocean, is a French possession with a trade about a third as large as that of Mauritius. Its capital is St. Denis.

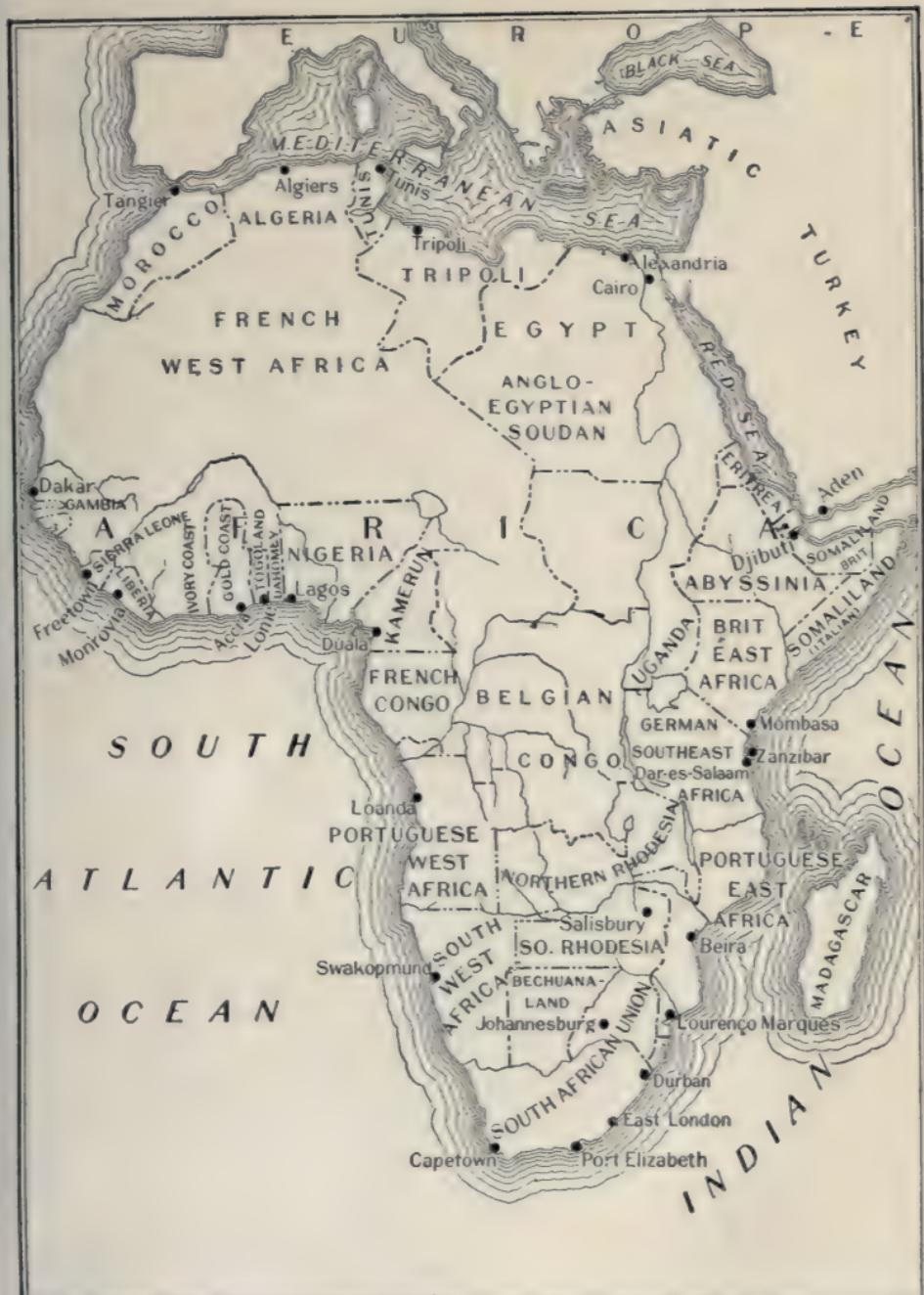
South and Central Africa

The northern fringe of the continent of Africa, comprising Egypt, Algeria and the other colonies and dependencies bordering on the Mediterranean, has been described in the chapter treating of that region (Chapter IV). The only other portion of the "Dark Continent" that is at present productive of a large international commerce is South Africa, at its opposite extremity. If one were to draw on the map of the continent a thin border, representing about 100 miles inland from the coast, around the western side and a border of perhaps double that thickness around the eastern coast, he would include all the re-

maining regions in which there is at present any international commerce of importance. The vast interior within these narrow borders is partly desert land and is as yet commercially undeveloped. At the same time, the nations controlling the segments of the outer fringe and claiming vast "spheres of influence" in the still savage interior are slowly and steadily pushing their lines of communication inland, and, year by year, larger areas are opened up for modern exploitation and development. The great war has interrupted the progress in this direction and has, for the time being at least, changed the colors of the map as regards Germany's possessions; but after the conflict is over the course of the commercial conquest of Africa will be resumed.

South Africa

As a buying market, South Africa greatly resembles Australia, in that the country contains a large and highly civilized white population with a great diversity of requirements. The presence of a still larger black element in the population, however, reduces the per capita average most materially. Total imports in 1913 (a normal year) amounted to \$217,253,252 and total exports to \$330,452,-320. The outbreak of the war curtailed the movement in both directions for the year 1914,



THE STRATEGIC TRADE CENTERS OF AFRICA

The principal trading countries of the "Dark Continent" are at the northern and southern ends. A narrow strip along the western and eastern coast lines would include all the remaining regions in which there is at present any international commerce of importance.

but the recovery in this market, as well as in Australia and New Zealand, was very rapid.

The elimination of Germany from the South African market has created an exceptional opportunity for American manufacturers of hosiery and knitted wear (this also applying to Australasia), wire fencing material, enameled ware, automobile tires and several other lines largely supplied by that country. Experienced salesmen are of the opinion that—regardless of the outcome of the war—it will be many years before the buyers in the large English-speaking British colonies will buy German goods in any great volume.

In 1913 American imports into South Africa aggregated \$18,377,398, as compared with \$107,751,556 from the United Kingdom and \$17,150,850 from Germany. With the exception of motor cars (\$1,455,931), no single line of American imports amounted to a million dollars. To some extent this failure to secure a larger share of the trade of the colony may be due to the slight preferential tariff of three per cent. in favor of the mother country, but this is frequently offset by more favorable freight rates. Lack of care in selecting suitable representatives, and failure to send any salesmen at all, are more potent factors against our success. The market is one

that merits great attention from now on, however, and the elimination of any influence that may operate to the detriment of each manufacturer's export campaign. While gold and diamond mining are the chief industries, modern agriculture is being increasingly developed and new manufacturing industries are being established in the larger cities.

Cape Town has for many years been the chief metropolis of South Africa and still occupies that position. Its location at the extreme end of the united colonies, however, and the fact that in recent years Durban has surpassed it in the volume of both export and import trade, render it worth while to establish agencies at other points if it is practicable to do so. In the Province of the Cape of Good Hope, Port Elizabeth and East London are important trade centers for large districts. Durban (Port Natal) is the chief port, not only for the Orange Free State, but also for the Transvaal. In the Transvaal the great industrial city of Johannesburg is the best point for the location of any line catering to the gold mines, as well as for those requiring retail stores in large centers of population. The trade of southern Rhodesia, Bechuanaland and one or two minor protectorates in southern Africa can best be handled through

*Strategic Trade
Centers of
South Africa*

agents in the cities of the South African Union, although Salisbury, the chief town in Rhodesia, has Beira (in Portuguese East Africa) as its nearest seaport.

British Colonies in East and West Africa

The East Africa Protectorate, which has been opened up to commerce by the \$30,000,-000 Uganda Railway, has recently begun to develop at a very rapid rate. Imports in 1914 showed a gain of 19 per cent. over the preceding year, which in turn was marked by an increase of 45 per cent. as compared with 1912—the total for the year last reported being nearly \$10,500,000. The success of the American Bridge Co. in securing contracts for the steel bridges on the railway in this colony caused quite a sensation at the time, and American goods in a number of lines have since been introduced there. The import trade is well diversified, although cotton piece-goods hold the premier place with imports aggregating nearly \$2,850,000, of which the United Kingdom supplied 29 per cent. The chief port is Mombasa, which is also the port of entry for the inland Protectorate of Uganda.

Zanzibar, the Hongkong of the East African coast, also merits the attention of exporters. It is virtually a "go-down," or storehouse, for the receipt for transshipment of both import

and export freight, but is gradually declining in importance as ports along the mainland are developed and railway lines constructed to the interior.

British Somaliland, on the northeastern tip of the continent, is a small colony not as yet much developed. Its trade is best handled through houses at Aden.

On the West Coast the British colonies are: Gambia; Sierra Leone, chief port, Freetown; Gold Coast, chief town, Accra; Northern and Southern Nigeria, chief port, Lagos. In the aggregate, the import trade of these comparatively unknown regions is quite considerable, that of Gambia averaging about \$6,000,000 annually; Sierra Leone, \$8,500,000; Gold Coast, \$20,000,000; Nigeria, \$30,500,000. Of these totals the United States supplied some \$3,000,000 on shipments credited to this country on the official returns, and considerably more by indirect sales through brokers or agents at Liverpool, Hamburg, Marseilles, Antwerp and other European trade centers.

The French Colonial Empire in Africa

Lord Salisbury once made the remark that England had all the parts of Africa that were of any value, and France had the rest. The French have been engaged during the last twenty years in disproving that statement.

Algeria, which is not regarded as a colony, but as a part of France itself—sending deputies and Senators just like the departments of the Seine or of the Nord—has an economic value rivaling that of either Egypt or South Africa. In addition to Tunis and Morocco—best reached, like Algeria, through the Mediterranean route—the French empire in Africa comprises the following colonies and protectorates: The Somali Coast Protectorate, opposite Aden at the mouth of the Red Sea—chief port and trade center, Djibuti; French West Africa, comprising five colonies along the West Coast; the Sahara; the French Sudan; and the French Congo.

While, in the aggregate, the trade of these regions is considerable, the manufacturer desiring to place his goods on the markets of French Africa will probably do better to enlist the services of one of the colonial houses at Marseilles than to attempt to do business direct. The chief towns are, for the most part, near the coast and unsuited for a large European population. At the same time, it is important to note the vast extent of the French colonial empire in Africa and its immense potential wealth. From Dakar, on the west coast, to the boundary of British Sudan is as far as from Pittsburgh to San Francisco; from Tangier to the most southerly point in the French domain is as far as from New York

to Portland, Oregon. The Sahara is nearly as large as the United States.

In all these regions, even across the Sahara, the French are building railways, improving economic conditions and enlarging the buying power of each community. As colonial administrators the French rank very high, indeed. These remarks also apply to the great Island of Madagascar, off the east coast of Africa. A high protective duty renders foreign trade difficult, save through the intermediation of French houses.

The German Colonies in Africa

Germany's four colonies in Africa are Togoland and Kamerun on the west coast, German Southwest Africa, adjacent to the South African Union, and German East Africa. These possessions, with a total area of nearly a million square miles and a population of some 15,000,000, have practically all been conquered by Germany's enemies and their ultimate disposition will depend upon the outcome of the war. Like France, Germany has devoted much attention to improving the transportation system of her colonies and has inaugurated many important public works. Swakopmund is the trade center of German Southwest Africa and Dar-es-Salaam of German East Africa. There are railways to the

interior at both of these points. Lome is the chief town of Togoland and Duala of Kamerun. In normal times the trade of these regions can best be cultivated through German colonial traders at Hamburg.

Portuguese Colonies in Africa

Of Portugal's former great colonial empire five remnants remain on or near the continent of Africa. Of these the most important commercially is Portuguese East Africa, whose chief port, Lourenço Marques, or Delagoa Bay, was for many years the best port of entry for goods destined for the gold fields of the Transvaal. Durban now secures much of this traffic, but the business at Delagoa Bay is still considerable as the harbor is one of the best in South Africa. The port of Beira, further to the North, is the maritime gateway for the British colony of Rhodesia, with which Beira is connected by a railroad. The local trade of the colony is not important, most of the considerable import and export trade belonging properly to the British colonies further inland.

On the west coast are the widely separated colonies of Guinea and Angola, the latter being the more important commercially, as it has several railways and considerable industrial development. Loanda is the chief port

of Angola. German traders from Hamburg did a large business along the west coast of Africa prior to the war, securing much of the business of these small colonies.

Off the coast are the Cape Verde Islands and the Islands of São Thomé and Principe the latter famous for their extensive cacao plantations. Trade with these colonies can best be cultivated through colonial houses at Lisbon. According to a recent consular report, American goods are quite favorably known in Portuguese West Africa, having been introduced largely through the medium of the export journals.

Other Markets in Africa

On the west coast, the negro republic of Liberia carries on a small foreign commerce, its chief port being Monrovia.

Abyssinia, the only other independent country on the continent, is situated some distance inland from the Red Sea and Indian Ocean, directly opposite Aden. The coast lands on all sides are occupied by European powers. Abyssinia's chief outlet to the sea is the French port of Djibuti in French Somaliland.

The small Italian colony of Eritrea, on the Red Sea, was formerly an outlet for much of this trade, but is not otherwise of much importance; and the same remark applies to the

Italian Somali Coast on the Indian Ocean. The trade of Abyssinia, which is considerable, can be handled through traders at Aden, through French houses having connections at Djibuti, or by selling direct to dealers at that French port—the best plan if practicable.

On the west coast of Africa are a few small Spanish colonies of little commercial interest.

VII

North and Central America

ON the continent of North America and in the Caribbean region the manufacturers of the United States enjoy the same advantages of proximity that are of such assistance to the manufacturing nations of Europe on their own continent and in the Mediterranean countries of Asia and Africa. Our lines of communication with Canada and Newfoundland are as numerous and well understood as those between corresponding sections of our own country; in Mexico American-owned railways, in normal times, give access to all the leading trade centers; in Central America American railways are gradually connecting the interior with ports served chiefly by American steamship lines; to the islands of the Caribbean Sea and the north coast of South America the ports of the United States offer the shipper the fastest and most frequent sailings for every point—most of the shipments from Germany prior to the war, for example, being brought to New York for transshipment.

Canada and Newfoundland

The average American manufacturer thinks of the vast region to the north of the longest unfortified boundary line in the world



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THE STRATEGIC TRADE CENTERS OF CANADA AND NEWFOUNDLAND

The trade of our second best customer just beyond "the longest unfortified boundary line in the world" can be covered at a very small number of points.



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THE STRATEGIC TRADE CENTERS OF MEXICO

In normal times the republic beyond the Rio Grande offers a market for a wide variety of American goods, requiring a considerable number of distributing centers.

as being commercially a part of the United States. Many who are reluctant to start an "export" campaign have been selling their goods in Canada for years. Every train across the frontier carries American salesmen, and the volume of our trade would be even larger than it is but for the fact that so many American manufacturers have established branch factories in Canada. It would therefore be superfluous to present even an outline of the requirements of our second largest market. The fact that Canada purchased American goods in 1913 to the amount of \$397,426,817, compared with \$592,462,348 exported to the United Kingdom and \$328,629,366 to Germany is eloquent enough—especially as the huge Canadian total consisted far more largely of manufactured goods than the other two. To these figures must be added those for Newfoundland and Labrador, \$4,846,623, making over \$400,000,000—a total representing as wide a variety of articles as would the purchases of the states of Massachusetts or Minnesota. As one of the greatest wheat growing countries, its requirements of agricultural machinery are large.

To U.S.A. Debtor		
1913	United Kingdom	\$592,462,348
1913	Canada	\$397,426,817
1913	Germany	\$328,629,366

Canada is our second best customer

*Trade Centers of
Canada and
Newfoundland*

In a market of such vast extent, no manufacturer would think of confining his selling and distributing organization to a single center. Those who cover the country with

salesmen will, of course, include a great many points in addition to those mentioned below. Beginning on the east,

the strategic trade center for Newfoundland is the little city of St. John's. For the maritime provinces, Halifax, in Nova Scotia, is the best center, and for the Province of Quebec, Montreal—"the Liverpool of Canada." In Ontario—the great manufacturing region of Canada and the richest and most populous province in the Dominion—the city of Toronto is the strategic trade center. Nearly half of the Canadian banks have their head offices in this city and it carries on an extensive wholesale trade with all parts of the Dominion.

Farther to the west comes Winnipeg, the metropolis of the Province of Manitoba and of the entire Canadian Middle West. This city, which was little more than a village in 1874, now has a population of 235,000 and is the trade center of a region as large as all of western Europe. Edmonton, in Alberta, is so far from Winnipeg that it has become an important distributing and manufacturing point for a rich agricultural region, its popu-

lation increasing from 3,167 in 1901 to 72,516 in 1914. For British Columbia, Vancouver is usually selected by American manufacturers. For those who wish to cover the entire country with the fewest possible branches, the best strategic centers are Montreal, Toronto, Winnipeg and Vancouver.

Just south of Newfoundland are the small French islands of St. Pierre and Miquelon—the sole survival of the vast French empire in North America. The town of St. Pierre is the principal port and trade center.

The Commerce and Trade Centers of Mexico

In normal times Mexico was one of the most important markets in the world for American manufacturers, its imports averaging about \$100,000,000 annually, of which the United States usually supplied about half.

It was also the foremost foreign field for the investment of American capital, from \$750,000,000 to \$1,000,000,000 of American money having been expended in developing Mexican mines and plantations, in constructing railways and tramway lines, and in installing electric light and power plants and minor enterprises of many kinds. About 30,000 Americans were residents of the Republic as officers and directors of these enter-

prises and as expert employees in many capacities. The recent political disturbances have naturally suspended industrial operations in many localities to a considerable extent and correspondingly curtailed the country's buying power, but the well-posted export man will keep watch on the situation in that troubled country, noting what states are quiet and those where business conditions are disturbed. The outbreak of the European war cut Mexico completely off from direct trade with Europe, with the result that while total imports are much less Mexico is buying a larger proportion of her requirements in this country than before.

The City of Mexico, the capital of the Republic, is the center at which all the large foreign houses doing business with the country maintain their head offices. American interests in the city were very extensive, prior to the revolution, while there were also large numbers of French, German, English and other European merchants. The Gulf ports of Vera Cruz and Tampico are important maritime gateways to the country and trade centers for their immediate vicinity, Tampico being near the chief Mexican oil-fields. On the Pacific Coast the three chief ports are Guaymas, Mazatlan and Manzanillo. Some distance inland from the last-

named port is Guadalajara, the second city in the Republic and an important trade center for that region.

Several railway lines cross the Mexican frontier from the United States, the principal point for this overland trade being El Paso, Texas. From there the National Railway runs direct to Chihuahua, a leading trade center for northern Mexico. Another important traffic route is via Laredo, this line leading to Monterey, sometimes called "the Chicago of Mexico" on account of the number of railroads that radiate from the city in all directions. The small city of Torreon is another railroad center, its traffic ranking next to that of Mexico City. These cities are excellent centers for the principal mining and industrial regions of the country. San Luis Potosi is another large distributing point for the north-central portion of the Republic, and Puebla occupies the same position in the populous state of the same name.

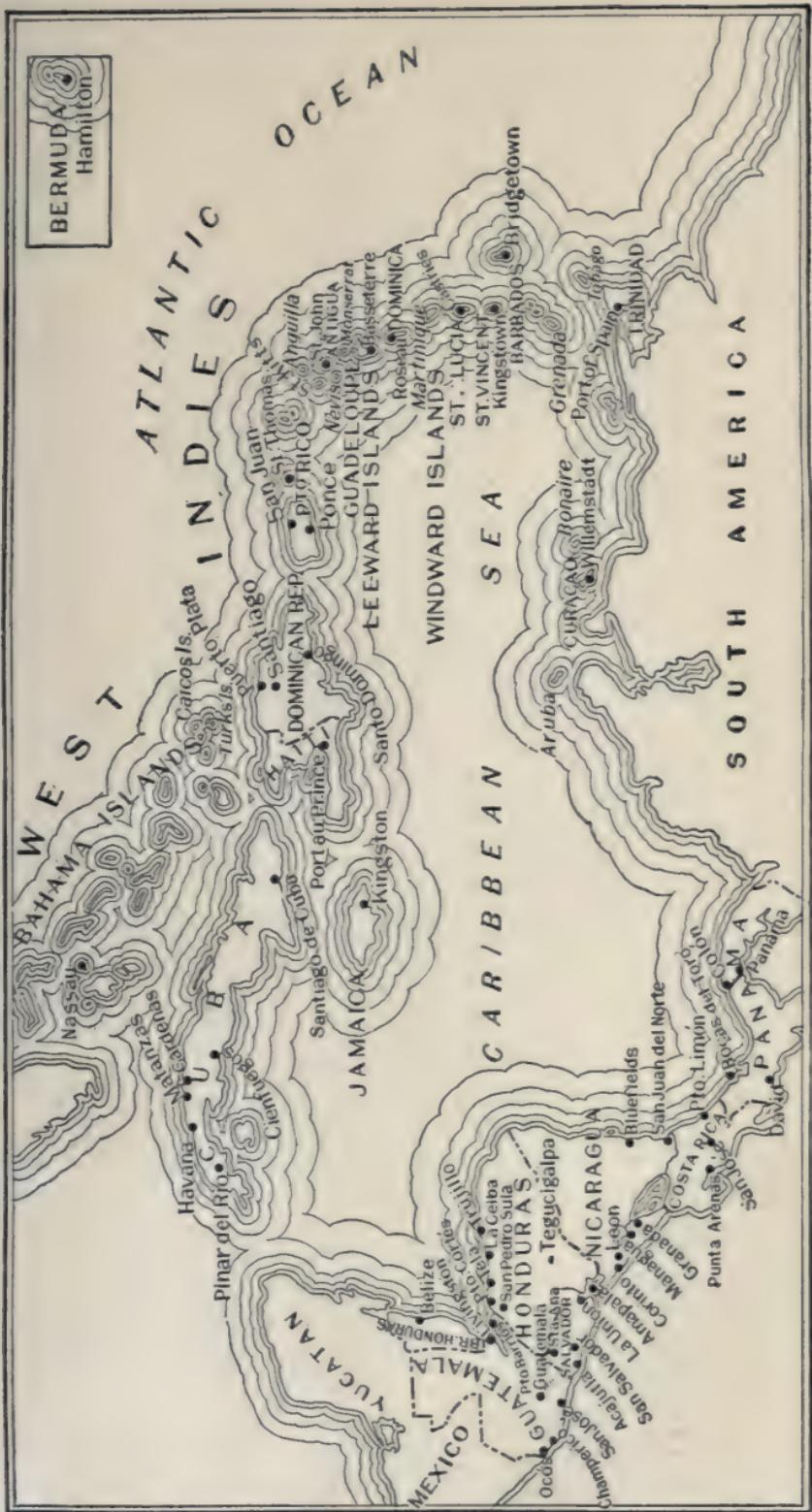
In the somewhat isolated state of Yucatan Merida is of considerable importance, especially as its port, Progreso, is the shipping point for practically all of Mexico's exports of sisal hemp, most of which come to this country. The transcontinental Tehuantepec Railway is an international route of great value, but its terminal ports have little local trade and

the traffic over this route will diminish materially when the Panama Canal is permanently opened.

The Markets of Central America Guatemala

Guatemala, the most northerly of the Central American countries, has recently been connected by rail with Mexico and also has a transcontinental railway route, the International Railways of Central America—an American concern—operating a line from Puerto Barrios on the Atlantic side to Guatemala City, and one from the capital to the three Pacific ports of San José, Champerico and Ocos.

Coffee is the most important Guatemalan crop, a hundred million pounds being raised annually on about 2,000 plantations. This industry was financed almost entirely by Germany before the war, German residents owning outright the plantations producing a third of the total crop and holding mortgages on many of the others. Since the war began American houses have financed the gathering and marketing of the crops and there is an excellent opportunity for the wise investment of much American capital in this industry. In the banana industry the United Fruit Company and other American con-



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TRADE CENTERS OF CENTRAL AMERICA AND THE CARIBBEAN REGION

Owing to their proximity to the United States the comparatively small countries and colonies of this region offer very attractive markets

cerns have expended vast sums along the Atlantic coast, with the result that exports have increased from 765,223 bunches, valued at \$229,566, in 1909, to 2,816,100 bunches, valued at \$1,107,335, in 1914. The steamers of the United Fruit Company afford American manufacturers a great advantage over their European competitors in the matter of freight service, sailings from New Orleans to Livingston and Puerto Barrios being frequent.

The imports of Guatemala average \$10,000,000 annually, of which the share of the United States is from 58 to 60 per cent., this country supplying the bulk of the imports in most lines except cotton goods, woolens, paper goods, glass and wines. The best trade center for the entire country is the city of Guatemala, the capital and commercial metropolis.

Salvador

Salvador is soon to be brought into direct connection with the United States by the extension of the International Railway from Zacapa, in Guatemala, to San Salvador, and thence to the port of La Union. At present the line is complete from La Union to Zatacoluca, a distance of 97 miles, 55 miles additional being necessary to complete the con-

nection with San Salvador. The section from Zacapa to San Salvador will be 163 miles long. When this is finished goods can be shipped to Salvador via Puerto Barrios at a great saving of time. The Salvador Railway, an English corporation, operates a line from the port of Acajutla to the capital, together with a boat service to Panama.

Coffee is the principal crop of Salvador. The imports average \$6,000,000 annually, of which the United States usually supplies about 40 per cent.; in 1914, however, the total imports fell to \$5,000,000, and while those from the United States also declined, the percentage remained about the same. The best trade center for the country is San Salvador, the capital; but Santa Ana, the second city in size, is also important commercially and has a considerable foreign population.

Honduras

While the trade of the Republic of Honduras is the smallest of all the Central American republics, it is increasing steadily, and as railways to the interior are extended will expand still more rapidly. Exports in a normal year were about \$3,000,000, and imports \$4,000,000. The principal industry of the country is banana cultivation, about half of the total exports consisting of bananas, while

gold and silver mining are conducted with success, exports of these metals amounting to \$1,000,000. The New York and Honduras Rosario Mining Company, an American concern, operates the largest mining enterprise in the country. It employs about 2,000 men and has invested some \$1,500,000 in its plant. The United Fruit Company, Vaccaro Bros. & Company and other American concerns have been constructing a network of plantation railways in northern Honduras, and that district is being rapidly developed by American capital. Honduras is the only Central American country known to have any coal deposits, while cattle raising is an industry of growing importance.

The chief ports along the Atlantic coast are Puerto Cortes, Tela and La Ceiba, while Trujillo, farther down the coast, will become important when the proposed railroad to Juticalpa and thence to the capital is completed. San Pedro Sula is the most important trade center for the northern part of the country. Tegucigalpa, the capital, is at present best reached via the small Pacific port of Amapala, and thence inland by an automobile road. It is a good distributing point for the highlands and mining region and is visited by many American salesmen despite the difficulty in reaching it.

British Honduras

The little colony of British Honduras, lying between the eastern end of Guatemala and the Atlantic Ocean, is economically unlike the other countries of this region. In its export trade the first place is held by chicle, brought down by Indians from the vast tropical forests of the interior—most of it from across the Guatemalan and Mexican frontiers. Mahogany, bananas, plantains, cocoanuts and cedar are the other principal products in the order of their importance. Altogether the exports are phenomenal in amount for a country with a population of only 41,543, aggregating \$2,918,775 in 1914, or \$70 per capita. Imports for the same year amounted to \$2,980,406, of which the United States supplied \$1,503,406. Part of this trade was transit business with the interior. Belize, the capital of the colony, is the strategic center for a very large hinterland of low-lying tropical forests. It has frequent steamship sailings to New York and New Orleans.

Nicaragua

If the proposed treaty with the United States is ratified by the Senate of Nicaragua, there will be an era of industrial and commercial development in that country. At present the exports during a normal year

amount to about \$8,000,000, of which five-eighths consist of coffee, one-eighth of gold, and the balance chiefly of bananas, mahogany, hides and skins, and rubber. Imports are normally about \$5,500,000, of which the United States supplied 56 per cent. in 1913 and 62 per cent. in 1914 (when the total imports were below normal).

Since the reorganization of its finances by American bankers Nicaraguan exchange has been steadily close to par—as compared with the previous widely fluctuating currency whose depreciation was measured by hundreds of per cent.

The bulk of the population of the country live on the western highlands, around the two great lakes, and the only railroad thus far constructed runs from the Pacific port of Corinto to Managua, Granada, and the other chief cities of that region. León is the best trade center for the highlands, although Managua, the capital, and Granada are also visited by most salesmen. On the Atlantic coast, Bluefields is the chief port and trade center. It has an English newspaper and a considerable American population. Should a railway be constructed, as a result of the proposed treaty, from San Juan del Norte on the Atlantic coast to Lake Nicaragua, it would probably divert much of the traffic now going via Corinto to the eastern route.

Costa Rica

Costa Rica is the most prosperous and has the largest foreign trade per capita of any of the Central American republics. Exports in 1913 aggregated \$10,432,552, and imports \$8,778,496. The great export staples are bananas and coffee, with gold and silver, hides, rubber and cacao as minor items. Imports, as in all the Central American countries, comprise a wide variety of manufactured goods, the United States supplying 51.44 per cent. of the total in 1913, Germany, 15.44 per cent. and the United Kingdom, 14.85 per cent. Of the exports the United States took 50.77 per cent. and the United Kingdom 41.83 per cent., or nine-tenths of the entire trade between them.

Costa Rica has a railway system extending from coast to coast, San José, the capital, being connected with the Atlantic by a railway to Port Limón and with the Pacific by a line to Punta Arenas. Most of the coffee is grown on the Pacific slope and is exported via Punta Arenas. The United Fruit Company has vast areas planted to bananas and has a network of plantation railways around Port Limón—a city which it practically created and which is the largest banana shipping port in the world. San José is the strategic center for the Pacific highlands, and Port Limón for the Atlantic coastlands.

Panama

Those who judge the size of the Republic of Panama from the space that it occupies on the ordinary maps of the world are apt to greatly underestimate its area. The average width of the isthmus is about the same as that of the State of New Jersey and its total area is nearly equal to that of the State of Maine. For its population—which is less than 450,000—the foreign trade is large, the exports in 1913 aggregating \$5,089,158, and the imports \$11,397,195. The share of the United States in the exports was \$4,307,735, and in the imports \$6,378,700. The principal exports are bananas, with cocoanuts, ivory nuts and tropical timbers as minor items. The country offers great opportunities for the investment of American capital and its trade possibilities merit the careful study of every exporter.

The chief trade center is the City of Panama. The port of Colón is a good distributing center for the part of the coast nearest to it, while David is an important trade center for the Pacific slope at the western end of the Republic. Near the same end on the Atlantic side is the great banana port of Bocas del Toro, another creation of the United Fruit Company, with a network of plantation railways as feeders. The establishment of a free port at one of the ter-

minals of the Canal would result in the creation of an American Singapore for the transshipment of merchandise to and from the west coast ports of Central and South America. Such a port would be of enormous advantage to American export interests.

The Trade and Trade Centers of Cuba

The importance of Cuba as a market is sufficiently indicated by the fact that its import trade exceeds that of all of Central America combined. In 1912 the total foreign trade of the island aggregated \$298,880,569, of which \$172,978,328 were exports and \$125,902,241 were imports. Of the exports, the chief staples are sugar and molasses, tobacco, iron ore, pineapples, bananas, oranges, cocoanuts and hides and skins. Of the total exports in the year mentioned the United States took 84 per cent. The import trade is widely diversified, the total supplied by the United States being more than half. American exporters enjoy the benefit of a preferential tariff in this market, together with the still greater advantage of superior steamship connections, every port in the island being reached by direct sailings from one or more ports in the United States. The railway system of Cuba is the best of any Latin-American country, four independent systems affording means of

communication to every important town on the island; as a rule, however, heavy imports are routed via the nearest seaport rather than via Havana and thence by rail.

The chief trade center is naturally the city of Havana, where the Cuban branches of many foreign houses are located. For those who require additional points for the location of branches or agencies Santiago, at the eastern end of the island, is commercially active and is close to the important iron mines. Other minor distributing points are Pinar del Rio, the capital of the province of the same name at the western end of the island; Cárdenas and Matanzas, in the province of Matanzas, the latter ranking as the second commercial city of Cuba; and Cienfuegos in the province of Santa Clara. For most lines, however, an office at Havana will be able to look after the trade of the entire island.

Haiti and the Dominican Republic

Situated between Cuba and Porto Rico is the large island divided between Haiti and the Dominican Republic, the former occupying the western end. The language spoken in Haiti is French; in the Dominican Republic, Spanish.

The apparently chronic state of revolution which has prevailed in Haiti for many years

past is responsible for the fact that a region as rich as Cuba in soil and climate, and with an even larger population (estimated at 2,500,000) has a foreign trade scarcely more than a sixteenth as large. This is in especially sharp contrast with colonial times, when the wealth of the Haitian planters was famous throughout the world. Since achieving its independence of France, more than a century ago, the country has steadily declined in commercial importance. Its exports consist chiefly of coffee, cacao, logwood and lignum vitæ, and cotton and cottonseed. Sugar, formerly the principal product of the island, has ceased to be cultivated owing to internal disturbances. The imports in 1913 aggregated \$8,717,000 in value, of which the United States supplied \$6,499,252, or nearly 75 per cent. Two short railway lines have been constructed, with further extensions arrested owing to political conditions, while roads to the interior are few and poor. The chief trade center is the capital, Port-au-Prince.

Political conditions in the Dominican Republic, while decidedly better than in Haiti, have materially reduced the country's foreign trade. The Customs Convention of 1905, whereby the United States appoints a receiver-general for Dominican customs, has worked out to the satisfaction of both the foreign

bondholders and the Dominicans themselves. Exports in 1913 aggregated \$10,469,947, of which the United States took over 53 per cent., the principal items being cacao, raw sugar, leaf tobacco, bananas and coffee. Imports for the same year were the largest on record, \$9,272,278, of which this country supplied over 62 per cent. Imports of iron and steel wares and cotton goods showed noteworthy gains, indicating that the buying power of the people is improving.

The estimated population is 650,000, or only a fourth of that of Haiti, while some authorities place it as low as 500,000. The principal trade centers are Santo Domingo, the capital, situated on the southern coast, and Santiago, near the northern coast, with Puerto Plata as its seaport. There is a railway line from Puerto Plata to Santiago, and thence to a number of towns in the northern part of the island. The recent establishment of the Banco Nacional de Santo Domingo, an American enterprise, has stimulated the investment of American capital in the Republic, and if political conditions become more tranquil, an era of industrial and commercial development is in sight. The island's natural resources are very great, both in the Haitian and Dominican portions, and with stable government assured, progress will undoubtedly be rapid.

Bermuda and the British West Indies

While the leading export staples vary on the different islands, the general trade conditions are substantially the same throughout the British insular possessions in the Caribbean region. In all the government is excellent and every encouragement is given to the development of industry and commerce. There is a slight tariff preference in favor of the mother country and Canada, but the effect of this is more than offset by the fact that steamship lines from American ports form the quickest and cheapest means of communication with the outside world, so that in nearly every island the United States supplies a larger share of the imports than does the United Kingdom, and in some of them more than all other nations combined. The Bermuda Islands, being midway between Canada and the West Indies, are included in this brief review of the markets of the British West Indies. American capital and enterprise have contributed materially to the prosperity of these markets—and particularly to that of Jamaica.

The following table gives the total imports of each of the British colonies in the West Indies, the imports from the United States, and the percentage of American products out of the total:

IMPORTS OF BERMUDA AND BRITISH WEST
INDIES, AND SHARE OF THE UNITED
STATES IN THE TRADE OF EACH

	<i>Total Imports.</i>	<i>Imports from U. S.</i>	<i>Per centage from U. S.</i>
Bermuda (1913)	\$2,776,703	\$1,582,844	57.0
Bahamas (1914)	1,968,418	1,407,686	71.5
Jamaica (1913)	13,808,431	6,456,498	46.8
Turks and Caicos Islands (1913)	128,266	77,679	60.6
Cayman Is... (1912)	142,220	(not reported)	
Leeward Is. (1913)	2,819,290	906,905	32.2
Windward Is. (1913)	3,171,085	1,427,310	45.0
Barbados (1913)	6,584,661	1,855,397	28.2
Trinidad and Tobago (1913)	13,765,139	3,959,959	28.8

In the aggregate, as the table shows, the trade of these English-speaking markets, located almost at our doors, is very considerable and decidedly worth cultivating.

In Bermuda the chief town is Hamilton; and in the Bahamas, Nassau. Both are familiar to Americans as popular tourist resorts, and have regular and frequent steamship communications with American ports. In Jamaica the principal town is Kingston, from which steamship lines radiate to all points in the Caribbean, making this an excellent strategic center for the entire region. The United Fruit Company has developed the banana industry on this island and

has frequent sailings to several of its minor ports. Cockburn Harbour, on the Island of Grand Turk, is the chief trade center for the Turks and Caicos Islands, while the Cayman Islands are best reached from Kingston. In the group called the Leeward Islands, the principal towns are St. John, on the Island of Antigua; Roseau, on the Island of Dominica; and Basseterre, on the Island of St. Kitts. The other important islands of the Leeward group are Montserrat, Nevis and Anguilla.

In the Windward Islands, Castries on the Island of St. Lucia; Kingstown, on the Island of St. Vincent; and St. Georges, on the Island of Grenada—the last being the capital of the colony—are the principal places.

About a hundred miles to the east of St. Vincent is the large island of Barbados. Bridgetown, the chief port, is an important shipping center. South of the Windward Islands and close to the continent of South America are Trinidad and Tobago. In Trinidad the capital and metropolis is Port of Spain, which is also the center of a considerable trade with the Orinoco basin. If three points were to be selected as the chief strategic trade centers of the British West Indies, the best choice would be Kingston, Jamaica; Bridgetown, Barbados; and Port of Spain, Trinidad.

The French, Dutch, and Danish West Indies

American trade in the French islands of Martinique and Guadeloupe is gradually increasing and that of France declining in spite of the preferential tariff in favor of the mother-country. In 1914 the percentage of French imports in Martinique was 48, and of American, 36. The islands are largely engaged in producing cane sugar and in manufacturing rum, while their imports cover the usual wide range of West Indian requirements. The total imports of Martinique aggregated \$4,269,497 in 1914, of which this country supplied \$1,545,896. In Guadeloupe the total imports in 1912 aggregated \$3,768,-155, of which the share of the United States was \$803,449. The chief town in Martinique is Fort de France, and in Guadeloupe, Basse Terre. The former is sufficient for most lines in this small market.

The Dutch West Indies comprise the important island of Curaçao, off the coast of Venezuela, the adjacent islands of Bonaire and Aruba, the islands of St. Eustatius and Saba, northwest of St. Kitts, and half of the Island of St. Martin—the other half belonging to France. The commerce of Curaçao includes a considerable transit trade with Venezuela. Imports in 1912 (including those for

Bonaire and Aruba) amounted to \$1,559,653, of which the United States supplied about 50 per cent. The chief town is Willemstadt, but as is the case with most ports in the West Indies, shipping men use the name of the island in their sailing lists.

The renewed suggestion to sell the Danish West Indies to the United States—a matter that has been under consideration at various times for more than half a century—gives an added interest to that small market. The islands in the group are St. Thomas, St. John and St. Croix—the first being the most important. Imports for the calendar year 1911 amounted to \$1,106,156, of which the share of the United States was \$743,795. The principal town is Charlotte Amalia on the island of St. Thomas. The islands are valuable as a coaling station and as a naval base for the defence of the Panama Canal, but are not of great importance commercially, although their possession by the United States would stimulate the industries and commerce materially.

In considering the trade centers of the West Indian markets, the fact should not be overlooked that the business of this region can also be handled through houses at New York, just as the trade of many parts of the world can be handled through firms at Liverpool, London, Hamburg, Marseilles and

other European export centers. For most lines, however, local representation—when it can be secured—produces larger and more satisfactory results than can be obtained through houses located at a distance from the markets they serve.

For the manufacturer who is looking for quick returns the markets described in this chapter are of special interest. Their proximity to the United States, the fact that they are already buying more than half of their requirements in this country, and the frequency of steamship connections are factors that favor immediate results for an export campaign confined to the countries and colonies of the Caribbean region. There is no part of the export field except Canada to which so many American salesmen are already going as this, although the number is still far too small.

VIII

South America

IN every continent, save Europe, mankind has experienced the utmost difficulty in establishing transportation routes between the East and the West. In South America the Andes present the greatest barrier of all to communication between the two coasts, thus making the "West Coast" a region entirely distinct, commercially, from the rest of the continent. To that region the Panama Canal means more than to any other part of the world, for it will bring some of its ports from 4,000 to 8,000 miles nearer to Europe and the United States.

On the long eastern coast there are three distinct economic and commercial divisions. The first of these comprises the Atlantic slope of Colombia, all of Venezuela and the colonies of British, Dutch and French Guiana. These are within the region served by the network of Caribbean steamship routes. The second division is the great Amazon basin



The Andes cut the South American continent into two commercial divisions



THE STRATEGIC TRADE CENTERS OF SOUTH AMERICA

The towns and cities indicated on this map should be included in the itinerary of the traveling salesman covering the South American market and are the best points for the location of branch houses or native agencies to cover their respective countries.

and the adjacent coastlands and highlands, comprising the northern and larger part of Brazil and the eastern lowlands of Bolivia and Peru. The third division is the River Plate region, which includes the republics of Argentina, Uruguay and Paraguay, and, as regards its chief economic characteristics, the southern portion of Brazil.

If traffic conditions would warrant direct sailings from New York to Pernambuco by the shortest route, the United States would have a slight advantage in point of distance as compared with Europe with respect to southern Brazil and the River Plate ports. As the vessels actually travel, however, the voyage to Europe is considerably shorter and—since the passenger traffic in normal times is much heavier in that direction—the boats are faster and better appointed. To the Amazon basin the distances from New York and Europe are about equal, but for the Caribbean circuit and the West Coast (via Panama) the advantages of both distance and superior shipping facilities are on the side of the American exporter.

Colombia

Nearly 80 per cent. of the imports and about 75 per cent. of the exports enter and leave Colombia through the Atlantic ports, so that

commercially that side is at present by far the more important. The country is eight times the size of the State of New York, with a population of four to five millions. Its chief exports are coffee (more than half of the total), gold, bananas, hides, Panama hats and ivory nuts. Exports in 1913 aggregated \$34,315,816, and imports \$26,987,400—the latter covering the usual range of requirements for tropical countries. Of the imports the United States supplied \$7,629,500.

The great trade route for the Atlantic slope is the Magdalena River. Existing railroad lines are principally short links connecting inland towns with the nearest river ports. Freight rates are very high, as the following charges on a ton of general merchandise shipped from the pier head at Puerto Colombia to Bogota clearly show:

Railway freight, Puerto Colombia to Barranquilla (17 miles)	\$ 3.63
River freight, Barranquilla to La Dorada (600 miles)	14.00
Loading river steamer60
Manifest and stamps	1.60
Canalization tax	2.00
Customs despatch20
Cartage10
Commission	1.20
Overland freight (most of the way by rail) La Dorada to Bogota . .	<u>35.35</u>
Total, <i>in gold dollars per ton</i> . .	\$ 58.68

This is exclusive of customs duties, ocean freights or any of the charges connected with getting the goods from the manufacturer to shipboard. From the pier head to Bogota goods are subject to the handling involved in two shipments by water and four by rail, and at most stopping places are liable to lie exposed to tropical rains or heat for hours with no other protection than their own coverings. A rebate of 25 per cent. of the river freights is allowed on agricultural and mining machinery, and 50 per cent. on railroad material, but overland freights on these lines are higher.

Barranquilla is the most important trade center in Colombia, handling 53 per cent. of the imports and 37 per cent. of the exports the year last reported. Most of the foreign importing houses are located here. Owing to a bar, ocean steamers cannot come up the river to the port, but stop at Puerto Colombia, or Savanilla, 17 miles distant, whence goods are brought by rail. Cartagena, the second port in importance, is a close rival of Barranquilla and is gaining slowly in the volume of traffic handled, which at last reports was 24 per cent. of the imports and 37 per cent. of the exports. Trade here is chiefly in the hands of strong native houses. Santa Marta, a third Atlantic port, is engaged principally in the exportation of bananas. Medellin, the second city in

point of population, is the most important and progressive inland city commercially. Bogota, the capital and largest city, is the trade center for the department in which it is situated.

Venezuela

Venezuela is, like Colombia, a country of vast extent, and is still more sparsely inhabited, its population of 2,500,000 averaging about seven to the square mile, while it has 1,800 miles of sea coast. Exports in 1913 aggregated \$29,483,789, coffee being the most important, followed by cacao, hides and gold. Imports the same year totaled \$18,223,103, of which the United States supplied \$6,944,136. Internal disturbances have made foreign capital timid about investing in Venezuela, with the result that its railroad facilities are limited and industrial development has been retarded.

La Guaira, the chief port, is a small place devoted to handling freight between the steamships and the railway which climbs the mountains to Caracas, seven miles distant in a direct line, but twenty-two miles by rail. The latter is the capital of the country, its largest city, and a trade center of some importance, many of the foreign trading houses having branches there. Maracaibo, the great coffee port, is the principal commercial city.

It is the distributing center for a large and prosperous region in Venezuela, as well as for part of Colombia. The shallowness of the water at the port prevents large steamers from calling there. Ciudad Bolivar, on the right bank of the Orinoco, 379 miles from the sea, is the principal distributing center for the extensive Orinoco basin.

British Guiana

The only European colonies on the continent of South America are British, Dutch and French Guiana, which rank in commercial importance in the order named.

The resources of British Guiana (which has an area of 90,277 square miles) are very great and considerably diversified, but the population is small—less than 300,000 at the last census. Exports in 1914 amounted to \$12,590,707, of which about \$1,000,000 represented transit trade. The principal exports were sugar, molasses, rum and gold. The imports aggregated \$7,665,530, of which the United States supplied only \$1,817,558. The war has made the colony more dependent on American supplies, however, and has resulted in many new trade connections. There are great opportunities for the investment of capital in this country, especially in lumber

industries. All but 2,000 square miles of its area consist of crown lands available for purchase or exploitation. Georgetown (usually called Demerara by shipping men from the river on which it is situated) is the trade center for the entire colony.

Dutch Guiana

The quaint colony of Dutch Guiana was taken by the Dutch in exchange for New York—hardly a thrifty trade, as subsequent events have proved. Although four times the area of the mother-country, its economic value is small. It is none the less a fairly prosperous country, Dutch cleanliness being in evidence even in this far-away corner of the world. Exports in 1913 amounted to \$9,457,787, and imports to \$7,113,420. The chief items of export were identical with those of British Guiana, and the share of the United States in the import trade was about the same, amounting to \$1,665,363. Owing to the war an immense interest in American goods has developed, and many of the leading import houses are seeking American representations. Paramaribo (called Surinam by shipping men) is the chief town.

French Guiana

French Guiana, with an area three times that of Massachusetts, has a population hardly

greater than that of Fitchburg—about 40,000. It is, therefore, of little commercial importance, its imports averaging between two and three million dollars, of which this country supplies from \$250,000 to \$300,000. The chief town is Cayenne.

The Amazon Basin and Northern Brazil

Economically, the part of Brazil lying north of 15 degrees, south latitude, is entirely different from the portion to the south of that parallel. This northern division, comprising 80 per cent. of the area of the Republic, is much more sparsely settled, having less than half of the total population. It may be divided roughly into three divisions: the basin of the Amazon, the coastal belt, and the highlands of the interior. The Amazon basin extends far beyond the boundaries of the country to the westward and includes the lowlands of Peru and Bolivia, which, therefore, belong—both economically and commercially—to the same region. In the River Amazon and its tributaries northern Brazil possesses one of the most extensive systems of navigable inland waterways in the world, aggregating more than 26,000 miles. Railways, on the other hand, are short and isolated, each little line running from some point in the interior to the

nearest river port or seaport. The great export staple of the Amazon Valley is rubber which the industrial world needs more now than ever before. The next items in importance are cacao and Brazil nuts, the former being grown largely along the coastal belt, the latter coming from the Amazon basin proper.

The chief port of the Amazon basin is Belém, the capital of the State of Pará, usually called Pará by the steamship men. Several

*Trade Centers of
Northern Brazil*

fleets of river steamers make this port their headquarters, one line going up as far as Iquitos, in

Peru, a distance of 2,651 miles, and another to Santo-Antonio, on the River Madeira and the Brazilian terminus of the Madeira-Mamoré Railway, a distance of 1,719 miles. This line taps the lowlands of Bolivia. Another important trade center is the river port of Manaos, the capital of the State of Amazonas, situated some 800 miles from the mouth of the Amazon River. The recovery in the price of rubber has restored the prosperity of this city and district, conditions having been very depressed there prior to the war. The third port of importance in the trade in rubber and forest products is Iquitos, in eastern Peru. Although a small place, its population is made up of many nationalities, and it is the

gateway for a vast region of tropical lowlands.

Along the coast of Brazil, southward from Pará, are several small ports, each of which is the gateway for the coastland region back of it. São Luiz, the capital of the State of Maranhão, and usually known by that name; Fortaleza, the capital of Ceará, which it is more often called; and Natal, the capital of Rio Grande del Norte. Salesmen who make these points have to go from one to another by coasting steamers, as there is no railway connection between them. The last-named port is south of Cape St. Roque, the easternmost point of South America. The next little port is Cabadello, capital of the State of Parahyba, and called by that name. Then comes the great port of Recife, or Pernambuco—taken from the name of the State of which it is the capital. This is the third port of northern Brazil in importance—ranking after Pará and Manaos—and here railway lines run along the coast and inland, so that the city is a good strategic trade center for the entire coastland region from Rio Grande del Norte to Bahia. The last is the fourth port of northern Brazil in importance, and between it and Pernambuco are two other small ports—Maceio, the capital of the State of Alagoas, and Aracajú, the capital of Sergipe (the latter being known by

the name of the state). Altogether the exports and imports of northern Brazil are not much more than a fourth of those for the whole country.

Southern Brazil

The seven states of Brazil south of 15° S. constitute a region so distinct—geographically, economically and commercially—from that to the north of that parallel as to be almost a separate country, save that they have a common government and language. Of the eight principal rivers that drain this part of the Republic all but two flow into the River Plate, but the network of railways is so complete that relatively little of the commerce of the region finds its way to the sea by the river routes. Of 14,000 miles of railway in the country, fully 11,500 miles are in this portion. The northern states of southern Brazil form the richest coffee district in the world—indeed, one that has no counterpart. Both the climate and the soil, the latter of a peculiar reddish color, appear to be especially suited to the coffee plant.

In one of the northern states, Minas Geraes, mining is also an industry of importance, its mineral wealth including gold, manganese, iron, lead, diamonds and several other precious stones. In this state, and in the

State of Rio de Janeiro, manufacturing has also been developed on a considerable scale.

The most southerly states are chiefly pastoral, while the agricultural staples produced on a large scale include maté, of which more than a hundred million pounds are exported annually, and the cereals that characterize the entire River Plate region. With these splendid industries as a basis, the import trade of south Brazil is very large and the wealth of the country—in normal times when crops are good and prices remunerative—gives rise to a wide diversity of requirements, including luxuries of many kinds.

The total exports of Brazil in 1912 aggregated \$362,794,846, and the total imports \$308,243,736. Of the latter the United States supplied \$48,109,316, coming after the United Kingdom and Germany in the volume of trade secured. While it is a fact that the exports from this country to Brazil increased more than 300 per cent. within a decade, the total is entirely too small when one considers that our imports from Brazil for 1912 were \$141,914,885—or nearly three times as much as our exports to that market. The establishment of dollar exchange is greatly favored by this situation, and the recent entry of the National City Bank into the South American field is a direct incentive to American export-

ters to increase their trade in a country whose buying power is so ample. The fact that R. G. Dun & Co., the mercantile agency, has had a branch at Rio for several years is an advantage, since shippers are thus enabled to ascertain the credit standing of customers before quoting prices or shipping goods. The war has made buyers more disposed than usual to consider American offerings, and the combined result of all these favorable factors should be a substantial gain in our trade in this important market. At this writing the increase already begins to appear.

The principal center of the import trade of Brazil is the capital, Rio de Janeiro. Endowed by nature with one of the three finest harbors in the world—and the most beautiful

of all, according to many travelers—the city is one of the most progressive in Latin-America. In addition to its large commercial interests, it

carries on considerable manufacturing—the number of establishments according to a recent compilation being 1,243, and of workers about 54,000. It is the strategic center through which to handle the Brazilian market for most products. An American Chamber of Commerce has just been organized there.

São Paulo, the second city in size in the Republic, is the center of the coffee district, with

*Trade Centers
of Southern
Brazil*

railway lines radiating into every section. The immense quantities of coffee concentrated here are shipped to the seaboard over a single railway, which is one of the most notable engineering triumphs in the world, and a most profitable enterprise for its stockholders. There are a number of large factories at São Paulo, employing some 30,000 people.

Santos, the port of São Paulo, is equipped with up-to-date machinery for expediting the shipments of the great staple of the district.

Farther to the south, Porto Alegre and Rio Grande do Sul are seaports of some importance. In the interior, Bello Horizonte, the capital of the rich and populous State of Minas Geraes, is an enterprising city.

Paraguay

The inland Republic of Paraguay has been so torn by disastrous wars with its more powerful neighbors and by subsequent revolutions that, as a market, it is one of the most backward in South America. An enormously depreciated inconvertible paper currency has retarded the country's progress and the reluctance of foreign capitalists to invest money in improving its transportation system has also held it back. The population is chiefly Indian.

In natural resources the country is fairly

rich, the principal drawback to trade expansion being the high rate of freight over its inadequate transportation system—a specimen charge being \$14 gold per ton (in normal times) from London to Asuncion, of which \$10 was for the consular fees, transshipment and freight up the river. While shippers complain, not unreasonably, of these high freights, it must be added that both the Parana and the Paraguay are difficult rivers to navigate. They are shallow and full of sand-bars and other obstructions, and in time of drought are frequently so low that shipping is delayed for days. The Parana is Paraguay's only outlet to the outside world, the region to the south of the Republic being swampy and uninhabited for a considerable distance. On the west, north and east the country is surrounded by thick forests.

Exports in 1913 aggregated \$5,335,267—hides, quebracho, timber, tobacco and maté being the principal items. Imports amounted to \$7,845,538 for the same year, of which the United States supplied \$471,237. This was about a fourth of the imports from the United Kingdom and from Germany, and slightly less than those from France and Italy, so it is evident that American manufacturers can find an opportunity to extend their trade somewhat even in this small market. The

only trade center of importance is Asuncion, the capital.

Uruguay

In Uruguay conditions are entirely different. This is distinctly a white man's country, the Indian and negro elements being negligible. The English have constructed 1,345 miles of excellent railways, connecting all parts of the country with the capital and extending across the frontier to connect with the railway system of southern Brazil. Altogether, the English investments aggregate over a quarter of a billion dollars. In recent years American capital to the amount of about \$50,000,000 has also been invested in the country, chiefly in railways and in meat industries. Uruguay is largely engaged in stock-raising, such products forming nine-tenths of the exports—principally wool, frozen meats, hides, dried beef, animal fats and preserved meats. The total exports amounted to \$54,201,041 for 1914, the chief items, in addition to those mentioned above, being minerals and flax. The United States took about \$14,000,000 of the exports, as compared with less than \$3,000,000 the previous year. Imports amounted to \$38,500,863.

Notwithstanding the large purchases of Uruguayan products in this country, Ameri-

can manufacturers are not as yet devoting the attention to this market that it deserves, both as a source of supplies of raw materials and as an outlet for manufactured goods of many kinds. Uruguay exports nearly a hundred million pounds of wool, valued at almost \$21,000,000 and hides valued at \$8,000,000.

Montevideo, the capital and metropolis of the country, is the best strategic trade center. It is a city of 375,000 inhabitants—one-quarter of the country's total population—and is well-built and modern. The city is so well connected with the interior by river and rail communications that no additional distributing point is needed for Uruguay.

Argentina

If studied upon a per capita basis, the importance of the Argentine buyer would be found to be greater than that of any other South American. In economic power Argentina is a billion dollar country, its agricultural and pastoral products exceeding that sum every year, although only about half of the huge total is exported. The fertile plains to the west of the lower Parana and the River Plate slope gently upward as they approach the Andes, but are everywhere healthful and the soil is uniformly rich. Beyond 64° west longitude the rainfall is insufficient for agri-

culture, but there are large irrigated districts at the foot of the Andes. Across the plains the British have constructed the best railway net in South America, the lines diverging from Buenos Aires and Rosario to all parts of the wheat raising and pastoral district, westward across the Andes to Chile, and northward to the boundaries of Bolivia. The great tributaries of the River Plate afford additional transportation facilities, so that in this respect few countries are better served.

Argentina has been an exporter of wheat for 25 years and is now one of the world's six great sources of supply for that staple. The wheat growing region is steadily extending toward the south and southwest as far as Patagonia. The conditions here are similar to those in the Canadian Northwest. No one knows how far toward the Antarctic circle wheat may be grown successfully. Meanwhile the railways are extending southward, and that part of the country is being opened up. The wool and mutton industry of Argentina ranks next to that of Australia in importance, and the cattle industries are expanding rapidly—of late years along American lines. Recently large American packing houses have been established or put in course of construction. The meat extract and refrigerating industries have long been important.

The exports of Argentina in 1913 (the latest normal year) aggregated \$466,581,886, while imports amounted to \$406,605,203. In 1914 exports declined to \$337,030,246, and imports to \$262,304,273, but reports indicated an export value for 1915 of \$120,000,000 over the large totals of 1913. Stocks in the hands of merchants are reported to be so low that such an export movement would stimulate an immense buying activity, making this one of the best markets in the world. In 1913 American manufacturers supplied only \$60,748,897 of the imports, which was less than Germany supplied and less than half of the amount coming from the United Kingdom.

Buenos Aires is the strategic trade center of the River Plate region, importers in many lines having their distributing branches there

Strategic Trade Centers of Argentina for all of Argentina, Uruguay and Paraguay. It is the largest city in Latin America, and its port is one of the best equipped in the world. Over 80 per cent. of the imports and 40 per cent. of the exports are handled there. Rosario, the second port in importance and the principal wheat shipping point, is situated on the Paraná, 214 miles from the capital. As ocean steamships can go directly up to the city, it is also a considerable import center, while railway lines in several directions make

it a valuable distribution point for foreign manufacturers. Bahia Blanca, 534 miles south of Buenos Aires, is the seaport for the rapidly developing wheat section of southern Argentina, resembling Galveston in this respect. It has a modern, well-equipped port, and is a good distributing center for that region. The best minor distributing points in the interior, if more than those mentioned are required, are Cordoba, Tucuman, Mendoza and Corrientes, as each is the center of a considerable district and is sufficiently remote from the capital to warrant establishing branches or local agencies there.

No market in Latin America shows a greater diversity of requirements. With the establishment of American banks and industrial enterprises, with the excellent facilities for credit information supplied by offices of R. G. Dun & Co., at Buenos Aires and Rosario, and with American capital flowing into Argentine securities, the future of our trade with the southern republic is especially promising.

Markets of the West Coast

Ten or fifteen years ago the traveler on one of the little steamers that then made its way leisurely from port to port along the west coast of South America could see his Sunday dinner tied or crated on the deck, according

to whether the chef was planning to have roast beef or chicken. The traffic at the ports was small, passengers few, landing facilities for both passengers and freight primitive, and the steamers themselves were dirty, dilapidated and slow. Of late years there has been a marked change for the better, and ports all along the coast have been planning many improvements to meet the new conditions created by the Canal. Some of these have been carried out, others were interrupted by the financial stringency caused by the war; but all along the coast there is a spirit of optimism.

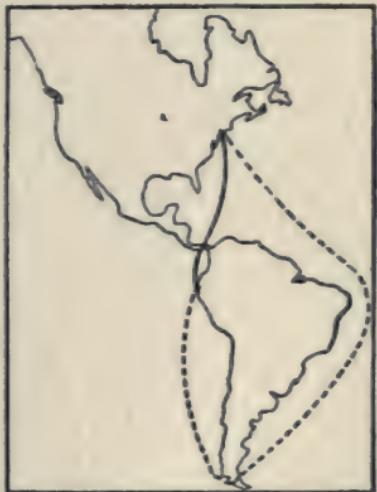
The West Coast of Colombia

Colombia has only two ports on the Pacific side that are of any commercial importance, Buenaventura and Tumaco. The former is the terminus of a railway running to Cali, on the Cauca River. One of the first of the many railway projects that have been reported from time to time, to be taken up if capital can be interested, should be the extension of this line to Giradot so as to give railway communication to Bogota. Plans have also been considered for carrying a line down the Cauca Valley to Medellin. Both of these projects are very promising, as they would bring the traffic of the two most populous departments in the country to the Pacific coast. In view of

the freight rates that this traffic has to bear on the rail and river route to the Atlantic seaboard, a single railway could charge very stiff freights and still reduce the cost to shippers enormously. Until this is done, however, the Pacific Coast trade of Colombia will be relatively unimportant.

Ecuador

Ecuador, before the Canal was in operation, was among the remotest countries in the commercial world for the exporters of the Atlantic seaboard. From New York to Guayaquil via the Straits of Magellan is 11,470 miles, as compared with 2,864 via Panama—a saving of 8,606 miles. The Magellan route requires from 60 to 74 days, as compared with 10 or 15 days by the shorter route. From Liverpool it is 10,695 miles to Guayaquil via Cape Horn, and the saving via the Canal will be more than 3,500 miles. It does not seem unreasonable, in view of these facts, to look for a considerable increase in Ecuador's foreign trade as a result of the opening of the Canal.



The Panama Canal saves over 8,000 miles between New York and some South America west coast points

On the other hand, fanciful or exaggerated estimates of the development likely to take place within the next few years should be avoided. The country has at present only a few commercial staples, the chief export items being cacao, ivory nuts, Panama hats, coffee and hides. Exports in 1913 aggregated \$15,654,385, and imports the same year amounted to \$8,184,274. Of the latter sum the United States supplied \$2,794,143, which was slightly more than came from the United Kingdom and nearly double the imports from Germany.

Some increase in the imports from this country as a result of the war is likely, but much more can be looked for if American capital is invested in the country to any considerable amount. At present the principal gold mine in the country is owned by Americans, but the only important railway is British-owned, although built by an American engineer. The population is chiefly of Indian descent. The principal port and trade center is Guayaquil, but the unsanitary conditions at that city prevent many American and European firms from sending their own men there. It is connected by rail with Quito, the capital. These two places are the only trade centers of importance.

Peru

No country in the world has tried harder to make Americans understand its needs and appreciate its resources than Peru, and if we still fail to estimate the country at its true worth the fault does not lie either with its government or its diplomatic and consular representatives in the United States. The Peruvian consul-general at New York has for many years maintained a library and commercial museum at the consulate for the benefit of all who may be interested, and the government has subsidized a paper printed in English that is devoted exclusively to setting forth the advantages and opportunities of the country.

Economically, the country is entirely different from the two republics to the north of it, its export staples being copper, cotton and cottonseed, sugar, petroleum and its products, gums, silver, wool, hides and gold. Mining, since the days of the Incas, has been the most important national industry, but cotton and sugar raising are now becoming the principal lines of development, sugar taking the first place in the exports for 1914, copper the third, and exports of gold becoming negligible for the time being.

The natural resources of the country are very great, and it is not surprising that the

country's leaders most earnestly desire to interest American capital in their enterprises. The largest copper mine, the Cerro de Pasco, is an American enterprise. If an American bank should be established in the country, the opportunities for wise investment in mining, railway, irrigation and other undertakings would be greatly improved. On the Pacific side of the country (the Amazon lowlands have already been referred to) the coastal region is rainless and requires irrigation, while the arable lands in the highlands are hard to reach on account of the mountain ranges.

The exports of Peru in 1913 amounted to \$44,469,011, and the imports to \$29,541,934. The share of the United States in the latter was \$8,541,934, surpassing that of any other country for the first time in the record of Peruvian import trade. In 1914 both exports and imports declined somewhat on account of the war, but American trade continued to maintain the first place in the imports. The opening of the Canal will tend to increase greatly the industrial and commercial activity of Peru and will still further stimulate the interest in American manufactures. Considering the extremely mountainous character of the country, the railway system is perhaps as well developed as can reasonably be expected, some of the most famous masterpieces

of railway building in the world being found here.

Callao is the principal seaport of Peru and has the best natural harbor on the west coast. Lima, the capital and principal commercial center of the country, is only a half hour distant from Callao by either train or electric tram. Here are located many of the leading import houses and the head offices of practically all of the principal mining, agricultural, manufacturing and railroad enterprises in the country. Railway lines run from the city up to the copper mining region. The main channel of trade for Peru, however, is by steamer from one little port to another along the coast. South of Callao, near the Chilean boundary, is the port of Mollendo, the gateway to the city of Arequipa and one of the routes to the Bolivian capital, La Paz. Arequipa is the best trade center for Southwestern Peru.

Bolivia

With an area almost a fourth as great as that of the United States, Bolivia is handicapped in its international trade by the fact that it has no seacoast. The richness of its mines, however, has provided a sound basis for its import trade. It produces a quarter of the world's tin, and the importance of this metal to American manufacturing interests

has recently stimulated the investment of capital in this and other mining enterprises. It has been estimated that the gold mines of Bolivia produced two billions of dollars during two centuries of the Spanish régime, although these figures are rather legendary. Other minerals are mined successfully within the limits of the republic and the opportunities for further exploitation in this field are promising.

The population is about 80 per cent. Indian. Living conditions in the high altitudes of the Bolivian plateau are to many people unpleasant.

Both exports and imports have increased rapidly in recent years, and while the trade of the United States is still smaller than that of its leading competitors, it has gained relatively much faster than any of them. Exports in 1912 amounted to \$35,057,841 and imports to \$19,258,996, the share of the United States in the latter being \$1,787,321. It is evident from the smallness of the last total that American manufacturers have not devoted much attention to this market. German commercial houses have been aggressive in Bolivia, and Germany led in the import trade for the year mentioned with a trade of \$6,423,802, as compared with \$3,528,041 for the United Kingdom.

The principal commercial center of the country is La Paz, the capital, while Oruro is the center of the mining district. The route to La Paz most largely used is by way of the Chilean port of Antofagasta. The shortest route is that from Arica, while the Peruvian port of Mollendo is also largely occupied with Bolivian traffic. La Paz will eventually have rail communication with Buenos Aires, but this will not be a traffic route of great importance. The Eastern lowlands of Bolivia are reached via the Madeira River and the Madeira-Mamoré Railway already referred to.

Chile

The fact that Chile is almost as long as the distance from New York to San Francisco, while it is at few points more than 150 miles wide, has resulted in the development of many little ports, with short railway lines serving a relatively restricted hinterland in each case. Most of the population of the country, however, is between 32° and 42° S. latitude, and in that region there is a fairly well developed network of railways.

Economically, the country can be roughly divided into four distinct zones, from north to south. The first of these is the desert region in which the famous nitrate deposits

of Chile are found. Nothing like these nitrate fields have thus far been discovered in any other part of the world and the value of their total yield during the last century is estimated at over \$1,250,000,000. It is a somewhat remarkable fact that the most barren region of the world should yield a product that gives fertility to the soil everywhere else. More than a hundred million dollars have been invested in the nitrate industry, and in normal times about 40,000 men are employed.

The next zone is the one in which the mineral wealth of the country is found, and this also has yielded more than \$1,000,000,000 in modern times. The principal products are copper, silver, and gold, about 75,000 people being employed.

The third zone is the agricultural region where cereals and other products of the temperate zone are raised. In this region there are also important coal deposits.

The fourth zone comprises the extreme southern part of the country, a section of comparatively small population. Here cattle and sheep are being raised to an increasing extent.

Exports from Chile in 1913 aggregated \$144,653,312, and consisted chiefly of nitrates, copper, wheat and hides. Imports aggregated \$120,274,001 in the same year, of which

the United States supplied \$20,089,158; Germany, \$35,928,943; and the United Kingdom, \$29,598,138. The war has naturally cut off the German trade and affords an opportunity for American manufacturers to increase their share of business in this important market. The lines required are extremely diversified, including practically everything needed in an industrial and mining country in the temperate zone.

The most important strategic trade center for Chile is Valparaiso, the largest port on the west coast. Here are located most of the leading import houses, many of which send their salesmen to all parts of the country. Santiago, the capital, is the largest city and the most important retail center. The railway system of Chile has been much extended in recent years and now includes a longitudinal railway connecting all of the ports with Valparaiso and the capital as far northward as Iquique and south to Puerto Montt. Eventually this line will be extended northward to Arica. The minor ports in Chile at which local distributing agencies might be desirable are Antofagasta, Iquique and Punta Arenas. Iquique is the principal nitrate port, while Punta Arenas is the distributing center for southern Argentina and Chile.

SUGGESTIONS AS TO FURTHER READING

As the subject matter of this book comprises more than a hundred and fifty different countries and colonies it is obvious that a complete bibliography would fill many pages. Instead of attempting this, the author wishes simply to suggest certain types of books that will be found helpful. Most of the works suggested can be found in the public libraries of the larger cities.

On the general subject of geography in its relations to commerce, *The International Geography*, by Hugh Robert Mill and seventy associates, and Prof. J. Russell Smith's *Industrial and Commercial Geography* will be found helpful. Clive Day's *History of Commerce* and the 9-volume *Historical Geography of the British Colonies* by C. P. Lucas are well worth reading. A most brilliant book of travel that is full of historical lore regarding the West Indies and Panama is *The Cradle of the Deep*, by Sir Frederick Treves. Other travel books worth reading for the commercial information they contain are Palmer's *Central America and Its Problems*, Pepper's *Panama to Patagonia*, Albert Hale's *The South Americans*, Nevin O. Winter's books and the books of William E. Curtis.

As a rule there is one best book for the

student of commerce about practically every country and colony in the world. The complete list would be too long to insert here. Regarding Cuba, for example, nothing better has ever been written than *Commercial Cuba*, by William J. Clark, and *Industrial Cuba*, by Robert P. Porter. Regarding the West Indies as a whole Robert T. Hill's *Cuba and Porto Rico*, although not recent, is still very informing. On Abyssinia the one best book is Consul-General Skinner's *Abyssinia of Today*; on Salvador it is Percy F. Martin's *Salvador of the XXth Century*; on the Bermuda Islands, it is A. E. Verrill's *The Bermuda Islands*—and so on. Readers who are interested in any particular country can write to the Secretary of the Course and obtain the titles of the best book or books relating to the commerce of that country. Frequently the best book is the local year book or handbook, often published officially and kept constantly up to date. While not so interesting as the special books, these are better for the business man who desires accurate and up-to-the-minute information. There are also many annuals or almanacs that serve the same purpose, and the *Statesman's Year Book* is useful for general reference in this connection.

In addition to these sources there are many valuable monographs, or special studies, of

the various countries. Some excellent books of this type are now being issued by the Department of Commerce, notably *British India, Russia and New Zealand*. The Pan-American Union has published excellent books on Mexico and Chile, and is a storehouse of information regarding all of Latin America. The monographs on the various countries of Central America by the author of this book may prove useful to those who desire a condensed summary of the commercial information available. The reader will also find many valuable articles on world commerce in the current magazines, particularly in *The World's Work, Review of Reviews* and the *National Geographic Magazine*. Bound files of the magazines can be profitably consulted with the aid of *Poole's Index* and similar guides.

Among good atlases that will assist the student are the *Harmsworth Atlas and Gazetteer* and *Bartholomew's Atlas of the World*.

QUIZ QUESTIONS

I.

1. Mention at least ten points that must be taken into consideration in properly studying a foreign market.
2. What are the advantages of determining the strategic trade centers of a country in planning an export campaign?
3. Mention nine divisions into which the world can properly be divided for convenience in studying its markets.

II.

4. What are the present relative values of the United Kingdom and South America as markets for American goods?
5. Mention five of the important strategic trade centers in the United Kingdom. What advantages does each possess as a trade center?
6. How important a factor, in normal times, is Belgium in the export trade of the world?
7. In what way does the history of the Netherlands affect its present status as a producing and exporting center?

III.

8. Compare the German with the American methods of getting foreign trade, as to banking, cooperative selling, foreign investments and training foreign representatives?
9. If you were locating a single branch in Germany, what city would you choose and why?
10. What lines of goods, roughly, form the bulk of our exports to Germany?
11. Previous to the war, was the United States an important factor in Austrian imports? Why?

12. Could you cover the three Scandinavian countries from one city?

13. Can European Russia be regarded, economically and commercially, as a single unit? What division, if any, would you suggest?

14. What position does the United States occupy, compared with Germany and the United Kingdom, as an exporter to Russia?

IV.

15. Is France likely to become an especially good market for American machinery? What kinds?

16. What four cities of France have special advantages as trade centers in different commercial sections of the country?

17. Name a line in which we should increase our exports to both Spain and Portugal.

18. Name three examples of American products which have sold successfully in Italy, typical of the demand for both luxuries and necessities.

19. What is the outlook, briefly stated, for building up American trade in the Balkans?

20. Why should southern Russia interest manufacturers of farm machinery, oil-well equipment, and cotton-seed mill supplies?

21. French North Africa is largely an agricultural section. Can American farm machinery be sold there?

V.

22. Outline, briefly, the future of China as a buying market?

23. In what cities would you require branches if you wished to cover all the important sections of China?

24. Mention some notable American export successes in China.

25. Why is it logical for American manufacturers in many lines to look to Japan as a market? In what lines?

26. What cities would be most advantageous as locations for branches in Japan?
27. What lines of American manufactured goods could probably be sold in large volume in India?
28. What influence may the elimination of German competition, due to the war, have on American export trade to India?
29. Is it worth while for American manufacturers to study the export possibilities of the Malay Peninsula? Why?
30. Mention some of the various colonies which can be covered from the port of Singapore?
31. Of cotton goods imports into the Dutch East Indies amounting to \$37,000,000, our share was \$9,000. What is wrong?

VI.

32. In what respects does the Australian market resemble our own domestic market?
33. What peculiarity of the Australian market makes it advisable to establish branches in each of the States?
34. What opportunity would you say exists for an American manufacturer of hosiery in South Africa?
35. What would be the best city from which to conduct operations in a campaign to cover French Africa?

VII.

36. If you wanted to cover Canada thoroughly through branches, what cities would you select?
37. About what was the volume of our exports to Mexico in normal times?
38. What are the chief strategic trade centers of each of the Central American countries?
39. Name three features which make Cuba an attractive market for American manufacturers.

40. A St. Louis manufacturer wishes to cover the West Indies from a single branch. In what city should the branch be established?

VIII.

41. Into what four economic regions may South America be subdivided?

42. What countries of South America will enjoy better transportation facilities because of the opening of the Panama Canal?

43. Trace a shipment of merchandise from New York to Bogota.

44. Can you give two reasons why our trade with the Guianas is not larger?

45. What five subdivisions may be made of Brazil and what are the trade possibilities in each?

46. Compare Paraguay and Uruguay as markets for American manufactured goods.

47. Mention at least two important factors contributing to Argentina's prosperity.

48. Why is Peru a better market than Ecuador and Colombia?

49. At what port are goods destined for Bolivia's main trade center usually entered?

50. Can Chile's long coast line be served from one center?

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